

Audited Project Financial Statements

Project Number: 44060-025
Loan/Grant Number: 3231/3261
Period covered: 9 October 2015 to 31 December 2015

KAZ: Small and Medium Enterprise Investment Program – Tranche 3

Prepared by: Delta Bank

For the Asian Development Bank
Date received by ADB: 06 March 2017

The audited project financial statements are documents owned by the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff. These documents are made publicly available in accordance with ADB's Public Communications Policy 2011 and as agreed between ADB and Delta Bank.

JSC Delta Bank

Project Agreement under Small and Medium
Enterprises Investment Program – Tranche 3
KAZ 44060

**Special Purpose Cash Basis Project Financial
Statements and Independent Auditor's Report
For the year ended December 31, 2015**

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors of JSC Delta Bank

We have audited the accompanying special purpose cash basis project financial statements of the Small and Medium Enterprises Investment Program - Tranche 3 (hereinafter the "Program") financed by the Asian Development Bank (hereinafter the "ADB") project agreement No. KAZ 44060 dated September 21, 2015 with the JSC Delta Bank (hereinafter the "Bank"), which comprises the statement of utilization of funds for the year ended December 31, 2015 and notes comprising of summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Special Purpose Cash Basis Project Financial Statements

Management of the Bank is responsible for the preparation and fair representation of these special purpose cash basis project financial statements in accordance with International Public Sector Accounting Standard "Financial Reporting under the Cash Basis of Accounting" promulgated by the International Public Sector Accounting Standards Board and project agreement between ADB and the Bank under Small and Medium Enterprises Investment Program – Tranche 3, and for such internal control as management determines is necessary to enable the preparation of the special purpose cash basis project financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these special purpose cash basis project financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose cash basis project financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose cash basis project financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the special purpose cash basis project financial statements 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 Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the special purpose cash basis project financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

In our opinion, the accompanying special purpose cash basis project financial statements of JSC Delta Bank for the year ended December 31, 2015 are prepared, in all material aspects, in accordance with the International Public Sector Accounting Standard "Financial Reporting under the Cash Basis of Accounting" and project agreement between ADB and the Bank under Small and Medium Enterprises Investment Program – Tranche 3.

Restriction on Distribution and Use

This report is intended solely for the Shareholders and Board of Directors of JSC Delta Bank, and the Asian Development Bank and should not be distributed to or used by other parties.

Grant Thornton


Yerzhan Dosymbekov

General Director
Grant Thornton LLP




Arman Chingilbayev

Engagement Partner



Certified auditor of the Republic of Kazakhstan
Certificate #MF-0000069 on January 20, 2012
The Republic of Kazakhstan

Certified Auditor of the Republic of Kazakhstan
Certificate #MF-0000487 on October 12, 1999
The Republic of Kazakhstan



State license for providing audit services on the territory of the Republic of Kazakhstan: series MFU-2, #0000087, issued by the Ministry of Finance of the Republic of Kazakhstan on June 21, 2012

November 1, 2016
Almaty, the Republic of Kazakhstan

JSC DELTA BANK

**THE SMALL AND MEDIUM ENTERPRISES INVESTMENT PROGRAM (KAZ 44060)
STATEMENT OF UTILIZATION OF FUNDS**

Statement of utilization of funds for the year ended December 31, 2015 in US dollars:

In US dollars	2015	Cumulative
Opening cash balance as at 1 January	–	–
Received from:		
JSC “Damu” Entrepreneurship development fund”	50,000,000 ¹	50,000,000
Distributed:		
Borrower №1	(103,655) ²	(103,655)
Borrower №2	(1,976,924) ²	(1,976,924)
Borrower №3	(226,449) ²	(226,449)
Closing balance as at 31 December	47,692,972	47,692,972

1. For the presentation of amounts in US dollars of Kazakhstan Stock Exchange (hereinafter - “KASE”) exchange rate was used on the date of receipt of funds (as at October 14, 2015 exchange rate of KZT to US dollar comprised 275.47);
2. For the presentation of amounts in US dollars KASE exchange rate was used on the date of issuance of loans (borrower №1: as at 30 December 2015 – 337.66 KZT to US dollar, borrower №2: as at 23 October 2015 – 278.21 KZT to US dollar, borrower №3: as at 10 December 2015 – 309.12 KZT to US dollar).

Statement of utilization of funds for the year ended December 31, 2015 in thousands of Tenge:

In thousands of Tenge	2015	Cumulative
Opening cash balance as at January 1	–	–
Received from:		
JSC “Damu” Entrepreneurship development fund”	13,773,500	13,773,500
Distributed:		
Borrower №1	(35,000)	(35,000)
Borrower №2	(550,000)	(550,000)
Borrower №3	(70,000)	(70,000)
Closing balance as at December 31	13,118,500	13,118,500

The notes set out on pages 2 to 7 form an integral part of these special purpose cash basis project financial statements.

Approved for issuance and signed on behalf of the Board of Management on November 1, 2016:


Akylbek Aitimov
Acting Chairman of the Management Board

November 1, 2016
Almaty, the Republic of Kazakhstan


Galiya Kainarbekova
Deputy Chairperson of the Management Board-
Chief Accountant

**THE SMALL AND MEDIUM ENTERPRISES INVESTMENT PROGRAM (KAZ 44060)
NOTES TO THE SPECIAL PURPOSE CASH BASIS PROJECT FINANCIAL STATEMENTS**

1. INTRODUCTION

These Special Purpose Cash Basis Project Financial Statements for the year ended at December 31, 2015 have been prepared by the JSC Delta Bank (hereafter - "the Bank") in accordance with International Public Sector Accounting Standard (IPSAS) "Financial Reporting under the Cash Basis of Accounting" promulgated by the International Public Sector Accounting Standards Board.

The Bank is a joint stock company and provides its activities in the territory of the Republic of Kazakhstan since 1993.

Principal Activity

The main activities of the Bank consists of commercial banking activities, providing loans and guarantees, cash settlement operations and operations with securities and foreign exchange currencies.

The Bank's activities is regulated by the National Bank of the Republic of Kazakhstan (hereinafter - the "NBRK"). The Bank performs its activities in accordance with license №213 dated 23 October, 2007.

As of December 31, 2015 the Bank has 11 branches in the Republic of Kazakhstan.

The Bank is a member of Kazakhstan Deposit Insurance Fund (the "KDIF").

According to Standard & Poor's rating agency the Bank's current rating is B / B, outlook "Stable".

Registered address and place of activity

Legal Address of Bank's Head Office: 73A Str. Tole bi, Almaty, the Republic of Kazakhstan.

Small and Medium Sized Enterprises Investment Program

The Government of the Republic of Kazakhstan, "Damu" Entrepreneurship Development Fund" (hereinafter - "the Fund") and the Asian Development Bank (hereinafter - the "ADB") entered into a financing agreement to assist the Fund in the financing of projects under the investment program for small and medium sized enterprises (hereinafter - the "Program") through a multi-tranche financing provided by the ADB on May 12, 2014.

On September 11, 2015 the Fund and the ADB signed a loan agreement (hereinafter - the "Loan agreement") for the third tranche (hereinafter - the "Tranche 3") in the amount of 228 million US dollars provided by the ADB for further distribution among the participating financial institutions (hereinafter - the "PFI").

On September 11, 2015, the Bank signed a loan agreement with the Fund for the financing of small and medium sized enterprises under the investment program for small and medium sized enterprises (hereinafter - the "Credit Agreement").

On September 21, 2015 the Bank signed a project agreement with the ADB in accordance with the terms of the Loan Agreement and the Credit Agreement. In accordance with the Loan agreement, the ADB has agreed to provide funds to the Bank in the amount of 13,773,500 thousands of Tenge or 50,000 thousands of US dollars. (Amount in US dollars is represented at KASE exchange rate on the date of the loan receipt from the Fund - 275.47 Tenge per 1 US dollar).

Tranche 3 has two aims:

1. medium-term financing of small and medium-sized businesses,
2. improving the coverage of the financial sector with a focus on women entrepreneurs and lending outside of big cities. In accordance with the Loan agreement, the ADB loan amounts have to be provided for financing of the qualified ultimate borrowers of small and medium-sized businesses.

**THE SMALL AND MEDIUM ENTERPRISES INVESTMENT PROGRAM (KAZ 44060)
NOTES TO THE SPECIAL PURPOSE CASH BASIS PROJECT FINANCIAL STATEMENTS
(CONTINUED)**

1. INTRODUCTION (CONTINUED)

Small and Medium Sized Enterprises Investment Program (continued)

Rate: The loans to small and medium sized enterprises are represented in Kazakhstani Tenge ("KZT") at market rate from 14% per annum and higher.

Maximum limit: up to 550 million KZT (approximately 1,6 million US dollars) for one borrower.

The purpose of financing of ultimate borrowers and loan maturity:

1. finance working capital up to 36 months;
2. on acquisition and modernization of fixed assets up to 84 months;
3. on refinancing of other banks' loans. The loan maturity is similar to those mentioned in points (1) and (2) depending on the purpose of refinancing loan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principle of preparation

Special Purpose Cash Basis Project Financial Statements are prepared in accordance with:

- International Public Sector Accounting Standard (IPSAS) "Financial Reporting under the Cash Basis of Accounting" promulgated by the International Public Sector Accounting Standards Board;
- Project Agreement;
- Project Administration Manual.

In the Special Purpose Cash Basis Project Financial Statements information is provided only about providing credit loans with the use of loan funds.

The accounting policy is applied consistently by PFI throughout the whole reporting period.

Cash Basis of Accounting

The Cash Basis of Accounting recognizes transactions and events only when cash (including cash equivalents) is received or paid by the Bank. Financial statements prepared under the cash basis provide information about the sources of cash raised during the period, the purposes for which cash was used and the cash balances at the reporting date. The analysis of the financial statements is focused on the balances of cash and changes therein.

Borrowings from banks and international financial organizations (including Asian Development Bank) are generally considered to give rise to cash inflows. Cash is controlled by the PFI when the PFI can use the cash for the achievement of its own objectives or otherwise benefit from the cash and exclude or regulate the access of others to that benefit. Cash collected by, or appropriated or granted to, the PFI which the PFI can use to fund its operating objectives, acquire fixed assets or repay its debt is controlled by the PFI.

Reporting entity

The financial statements reflect only the financial position and use of funds by JSC Delta Bank received under the Investment Program of financing small and medium sized enterprises, financed by ADB and implemented by the Fund.

Reporting period

The reporting period for this project is the financial year ended for each period of financial statements. The reporting period of these special purpose cash basis project financial statements is the financial year ended December 31, 2015.

THE SMALL AND MEDIUM ENTERPRISES INVESTMENT PROGRAM (KAZ 44060)
NOTES TO THE SPECIAL PURPOSE CASH BASIS PROJECT FINANCIAL STATEMENTS
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Currency of the statements

The special purpose cash basis project financial statements have been prepared in US dollars (hereinafter - the "USD"). Loan proceeds from ADB to the Fund are presented in US dollars. ADB funds provided to the PFI by the Fund in Tenge.

The exchange rate set on the KASE as at December 31, 2015 was 340.01 KZT for 1 USD .

Cash and cash equivalents

Cash and cash equivalents are presented by the cash received from ADB on account opened by the Fund in the Bank under the Investment program of financing small and medium sized enterprises.

3. TERMS OF FUNDS AND UNUSED AMOUNTS

The project is financed by the Fund by means of a sub-loan. The total amount of funds to finance the project and the available funds to fulfill future commitments as at December 31, 2015 were as follows:

Participating financial institution	Total funding	The total amount of the allocated funds as at 31.12.2015	Balance as at 31.12.2015
JSC Delta Bank	50,000,000	50,000,000	47,692,972

On October 14, 2015 the Fund provided a loan to the Bank in the amount of 13,773,500 thousand Tenge with maturity on August 5, 2020 at 8.5% interest rate per annum.

The funds were used according to intended purpose as specified in project agreement.

4. SUB-LOANS

The ADB loan proceeds are designated only for providing a sub-loan to PFIs. The terms of entering the sub-loan agreement are as follows:

- (a) PFI uses funds for financing of qualified SMEs for the purpose: of acquisition and modernization of fixed assets, to finance working capital and for refinancing of other banks' loans;
- (b) each sub-loan agreement is in the form and on terms and conditions acceptable to the ADB, and is without prejudice to, and without limitation on, the obligations of the Fund under the Loan Agreement, and complies with two conditions:
 - (ii) principal repayment schedule for each sub-loan matches the principal repayment schedule for the portion of the principal amount of the Loan corresponding to such sub-loan;
 - (iii) is denominated in KZT at a fixed market-based interest rate.
- (c) within 30 calendar days of each PFI's receipt of the Sub-loan proceeds from the Fund, the PFI executed a currency swap with the NBRK pursuant to which the NBRK provided Kazakhstani Tenge to the PFI in exchange for the USD proceeds of sub-loan. On October 14, 2015 the Bank concluded a swap agreement with the Fund.

As at December 31, 2015 the sub-loan of the Bank provided for financing of ultimate borrowers is presented as follows:

№ Sub-loan	Name of SME	Amount of sub-loan in Tenge	ADB obligation in Tenge	Received amount in Tenge	Balance in Tenge
ATR/15/003/DBZ	Borrower №1	35,000,000	-	35,000,000	35,000,000
ALM/15/013/SKL	Borrower №2	550,000,000	-	550,000,000	550,000,000
ALM/15/013/SKL	Borrower №3	70,000,000	-	70,000,000	70,000,000
		655,000,000	-	655,000,000	655,000,000

The funds were used in accordance with the intended purpose as specified in the project agreement.

THE SMALL AND MEDIUM ENTERPRISES INVESTMENT PROGRAM (KAZ 44060)
NOTES TO THE SPECIAL PURPOSE CASH BASIS PROJECT FINANCIAL STATEMENTS (CONTINUED)

4. SUB-LOANS (CONTINUED)

Statement of Utilization of Fund by Sub-loan, for the period covering January 1, 2015 till December 31, 2015.

All columns below, in local currency:								All columns below, in USD:			
1. Sub-loan No.	2. Name of Sub-borrower	3. Amount Sanctioned	4. Currency of Sub-loan	5. Amount Allocated to ADB's share (this may be less than column 3)	6. Amount disbursed up to previous financial year from ADB share	7. Amount disbursed during current period from ADB share	8. Cumulative disbursements against ADB share (6+7)	9. Undisbursed ADB share (5-8)	10. Cumulative amount received from ADB up to previous financial year	11. Amount received during current financial year	12. Total amount received till end of current financial year (10+11)
1	Borrower #1	35 000 000	KZT	35 000 000	-	35 000 000	35 000 000	-	-	-	-
2	Borrower #2	550 000 000	KZT	550 000 000	-	550 000 000	550 000 000	-	-	-	-
3	Borrower #3	90 000 000	KZT	70 000 000	-	70 000 000	70 000 000	-	-	-	-

5. STATEMENT OF EXPENDITURES

For the year ended December 31, 2015, the statement of expenditures is as follows:

Name of SME	Name of sub-loan recipient	Gender	Location of sub-loan recipient	Location of project	Amount of sub-loan in Tenge	Amount of sub-loan in USD*	Date of issuance	KASE exchange rate at the date of loan issuance	The share of sub-loan financed by ADB
Borrower №1	Dariga	Female	Atyrau	Astana	35,000,000	103,655	30.12.2015	337.66	100%
Borrower №2	Ataibek	Male	Almaty	Taldykorgan	550,000,000	1,976,924	23.10.2015	278.21	100%
Borrower №3	Boris	Male	Almaty	Almaty	70,000,000**	226,449	10.12.2015	309.12	100%

*For the presentation of the amounts in US dollars KASE exchange rate has been used at the date of issuance of loans.

**The sub-loan in amount of 90 million Tenge was approved to the borrower for financing of working capital. For the year ended December 31, 2015 only part of the loan in the amount of 70 million Tenge was provided. Outstanding 20 million Tenge was provided in 2016.

The maturities and interest rates of loans issued by the Bank were between 1 and 5 years and from 14% to 16% interest rate per annum, respectively.

**THE SMALL AND MEDIUM ENTERPRISES INVESTMENT PROGRAM (KAZ 44060)
NOTES TO THE SPECIAL PURPOSE CASH BASIS PROJECT FINANCIAL STATEMENTS
(CONTINUED)**

6. CRITERIA FOR THE USE OF FUNDS AND ISSUANCE OF SUB-LOANS

Criteria for PFI

According to the project agreement, the Bank shall keep the following criteria:

- fully comply with the requirements established by the Agency for Banking and Financial Supervision in the Republic of Kazakhstan, the NBRK, or have an agreed plan of action to achieve them;
- have a long-term credit rating in local currency, at least “B”, assigned by the credit rating agency or equivalent rating, acceptable to ADB (provided that such a rating will not be lower than the current rating of the respective bank for 2 or more points on the date of entry into force of the project agreement, unless the downgrade did not happen automatically as a result of lowering of the sovereign rating of the Guarantor (Delta Bank));
- be profitable (profit after tax) in the last completed fiscal year or have an agreed action plan to achieve profitability; and
- have a level of non-performing loans (hereinafter – “NPL”) less than 10% and have an agreed plan of action to reduce NPL levels to that level.

As at December 31, 2015 the Bank complied in full with the above criterias: requirements of the NBRK are not violated, the Bank's rating was B/B, outlook “Stable” according to Standard & Poor's rating agency, the Bank was profitable for the last completed fiscal year, the NPL rate was less than 10%.

Criteria for SME borrowers and sub-projects of SME

According to the project agreement, the Bank must ensure that borrowers of small and medium-sized enterprises meet the following criteria (hereinafter - the “SME”):

- SMEs is small and / or medium sized enterprises according to the definition given in the Act on the private sector of the Republic of Kazakhstan;
- SMEs are not involved in any prohibited activities;
- SME activity is not included in the list of prohibited activities;
- the activities of SMEs comply with environmental protection measures.
- SME activity does not include involuntary resettlement or impacts on indigenous peoples; and;
- SMEs activity does not include the impact on the environment, which can be classified as “A” category, in each case.

PFI will ensure that before the approval of the proposed sub-project as a potential sub-project for SME:

- PFI designated staff assigned to the project especially for financial management and reporting, as well as monitoring and evaluation;
- an environmental and social management is used for screening and classification of the significance of potential environmental impacts and impacts on indigenous peoples and involuntary resettlement associated with the sub-project; Environmental Management Plan has been prepared for the proposed sub-project as required for Category “B” projects.

PFI should ensure that any proposed sub-project does not include: (a) involuntary resettlement or impacts on indigenous peoples in accordance with the emphasis placed in the Regulation on safeguards policy; (b) the impact on the environment, which can be classified as Category “A”, in each case in accordance with the emphasis placed in the Regulation on safeguards policy; or (c) activities referred to in the annex to the Project Agreement.

Without limiting the above paragraph, the PFI should ensure that in any proposed sub-project, involving the acquisition or transfer of any share of the land, such acquisition or transfer takes place between the parties concerned, and not as a result of forced expropriation. This criteria was followed by the Bank.

**THE SMALL AND MEDIUM ENTERPRISES INVESTMENT PROGRAM (KAZ 44060)
NOTES TO THE SPECIAL PURPOSE CASH BASIS PROJECT FINANCIAL STATEMENTS
(CONTINUED)**

6. CRITERIA FOR THE USE OF FUNDS AND ISSUANCE OF SUB-LOANS (CONTINUED)

Criteria for SME borrowers and sub-projects of SME (continued)

PFI agrees that breach of PFI requirements established in the secondary loan agreement is treated as a misuse of the PFI, in which case the PFI is obliged to pay to the Fund a penalty for misuse of the Loan provided for under the secondary loan agreement. Above mentioned requirements have not been violated by the Bank.

Criteria for sub-loans

According to the project agreement the Bank applies due diligence to ensure that the following:

- At least 50% of the aggregate amount of SME loans allocated to them within the framework of the project, used for investment purposes;
- At least 50% of the aggregate amount of SME loans allocated to them within the framework of the project will be given to SMEs, functioning outside the cities of Almaty and Astana;
- a limit of 550 000 thousand Tenge (about 1.6 million US dollars) per SME.; and
- At least 33% of the total number of loans to SMEs provided by the PFI as part of the project, allocated as appropriate:
 - SMEs with a minimum of 50% of the shares owned by women; or
 - SMEs run by women.

As at December 31, 2015 Bank loan amount, received from ADB through the Fund, was not fully distributed, the above criterias have not been evaluated in terms of their compliance. In accordance with ADB criteria the Bank has to distribute fund during the year from the date of receipt of funds from the Fund.

7. SUBSEQUENT EVENTS

As at the date of approval of these special purpose cash basis project financial statements, the Bank has fully distributed the funds to borrowers within required deadlines.



INDEPENDENT REASONABLE ASSURANCE REPORT

To the management of the Commercial Bank “Delta bank” (the “Bank”) and the Asian Development Bank (the “ADB”)

Subject Matters and Criteria

We have been engaged to perform an independent reasonable assurance engagement in connection with the Compliance of the Bank with the specific provisions of Project Agreement under Small and Medium Enterprises Investment Program – Tranche 3 KAZ 44060 dated 21 September 2015 between ADB and the Bank (the “Credit agreement”) in relation to the utilization of proceeds of the loan for the year ended 31 December 2015 withdrawn from ADB for purposes of the financing of projects under the investment program for small and medium sized enterprises (hereinafter - the “Program”).

Management’ responsibility

Management of the Bank is responsible for the compliance with the specific provisions of the Credit agreement in relation to the utilization of proceeds of the loan for the year ended 31 December 2015 withdrawn from the ADB for purposes of the Program.

Our responsibility

Our responsibility is to report on the subject matters (as specified in Section “Subject Matters and Criteria” above) based on our work performed.

We conducted our engagement in accordance with International Standard of Assurance Engagements 3000 “Assurance Engagements other than Audits or Reviews of Historical Financial Information”. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance about whether the subject matters are in compliance, in all material respects, with specified criteria (as specified in Section “Subject Matters and Criteria” above).

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

Summary of the Work Performed

The scope of our work included the following procedures:

- testing of controls relevant to the Bank’s lending cycle (controls tested covered proper authorization of all loans based on the Bank’s internal policies and procedures which also take into account the ADB’s requirements and other related controls);
- checking whether the Bank established a Project Implementation Unit for the purposes of the Program;
- tracing disbursements of loan proceeds to/by the Bank to supporting documentation (such as, requests for withdrawal, loan applications, approvals of loan disbursements to sub-borrowers by the Bank’s Credit Committee, loan agreements with sub-borrowers, etc.) on a sample basis;
- reviewing adequacy of supporting documentation sampled for testing (as specified above); and
- testing compliance of qualified sub-borrowers and sub-projects with required criteria (as specified in the Section “Subject Matters and Criteria” above) on a sample basis.



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Reasonable Assurance Opinion

In our opinion the Bank has complied, in all material respects, with the specific provisions of the Credit agreement in relation to the utilization of proceeds of the loan for the year ended 31 December 2015 withdrawn from the ADB for purposes of the Program.

Other Matter - Inherent limitations

Without modifying our reasonable assurance opinion, we draw attention to the fact that inherent limitations exist in assurance engagements, due to the selective testing of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Non-financial data may be subject to more inherent limitations than financial data, given its nature and the methods used for determining or estimating such data. These inherent limitations may influence the evaluation of the subject matters against the criteria (as specified in Section "Subject Matters and Criteria" above).

Restriction on Use and Distribution

This independent reasonable assurance report is provided solely for the use of the management of the Bank and the ADB and only for the purposes of the Program and should not be used for any other purpose or distributed to any other parties.

Grant Thornton

Yerzhan Dossymbekov

General Director
Grant Thornton LLP

Certified Auditor of the Republic of Kazakhstan
Certificate #MF-0000069 on January 20, 2012
Republic of Kazakhstan

Arman Chingilbayev

Engagement partner

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State license for providing audit services on the territory of the Republic of Kazakhstan: series MFU-2, #0000087, issued by the Ministry of Finance of the Republic of Kazakhstan on June 21, 2012

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