



ANNUAL REPORT

2018

Microfinance Institution “KMF” is the largest MFI in Kazakhstan. The Company provides loan products aimed at supporting entrepreneurship, growth of well-being of the population, and development of agriculture.

1. Reporting events in 2018

KMF received KZT 5.9 billion for financing Kazakhstan entrepreneurs through the loan from Asian Development Bank

Within the framework of the loan agreement between “Damu” Entrepreneurship Development Fund JSC and Microfinance Institution “KMF”, funds provided by Asian Development Bank (ADB) for the amount of KZT 5.9 billion were allocated to KMF out of the ADB loan raised under the guarantee of the Government of the Republic of Kazakhstan.

According to the terms and conditions of the agreement, KMF allocated these funds to lending to micro, small and medium enterprises, financing working capital, purchasing and updating fixed assets, and refinancing of loans from other banks is also allowed.

KMF received \$82 million - the largest syndicated loan in the history of the MFI market from IFC

The syndicated loan agreement for the amount of \$82 million was signed between KMF and International Finance Corporation (IFC), the syndicate arranger.

In addition to IFC, the syndicate of foreign investors included the leading financial institutions in the microfinance market: MicroVest Short Duration Fund (USA), Bank im Bistum Essen eG (Germany), Incofin Investment Management (Belgium), Symbiotics SA (Switzerland), Oikocredit Ecumenical Development Cooperative Society U.A (Netherlands), Triple Jump B.V. (Netherlands), Invests in Visions (Germany).

Funds were provided to KMF for three years in several tranches in local currency equivalent to about KZT 27 billion, allowing mitigation of FX risks for KMF clients.

This is the second syndicated loan from IFC for the Kazakhstan microfinance sector and KMF. Funds were used by KMF for lending to micro and small enterprises in rural areas, as well as to women entrepreneurs for promoting creation of new jobs. The investment helped KMF to increase its loan portfolio and expand the outreach of low-income clients, especially in villages.

KMF launched Isker Hanymy project to support women entrepreneurs

In 2018, the Company developed the program to support women entrepreneurship, which combined all measures aimed at supporting and assisting women, promoting business development and personal development. As a part of the program, from 01 October to 31 December 2018 the Company held a special campaign and reduced the interest rate for women entrepreneurs. Under the auspices of the program for the support and development of women entrepreneurship in Kazakhstan “KMF Isker Hanymy”, the Company also provides various non-financial services for the development of women's business and personal development of women, which include participation of borrowers in special training events, including conferences, exchange of experience with other businesswomen in the form of networking. As a part of the loyalty program, KMF developed a special line of gifts for women. A number of trainings on gender awareness were also conducted for the Company's staff.

Opening of new outlets in rural areas

In 2018, the Company opened new outlets in several regions. In particular, in Aktobe, Ust-Kamenogorsk, Pavlodar, Zatobolsk town of Kostanay region and Baikonur town of Kyzylorda region.

X Woman and Business Conference: Expanding Opportunities

In March 2018, X Woman and Business Conference was held in Taraz. It was devoted to discussing and finding ways to solve the problems that women face when establishing and developing their business in Kazakhstan. The event was hosted by Microfinance Institution KMF and Corporate Fund KMF-Demeu.

The main goal of the conference is to provide women with access to advanced methods and business models for developing their business, as well as assistance of experts and business trainers. The conference is aimed not only at well-established businesses, but also at micro entrepreneurs, self-employed women who are just starting their way in business.

At this remarkable event a speaker of Frankfurt Business School made the report on Internet sales, a representative of the Family Business Association made the presentation “7 Steps on the Way to Your Business”. Also, topic experts introduced the delegates to the methods of business sales and self-presentation that are the integral components of modern business.

About 150 women entrepreneurs from Zhambyl region participated in the conference.

2. KMF in figures

At the end of 2018, the number of KMF active clients amounted to 243,000 people (+10% YoY), and the loan portfolio¹ reached KZT 118.4 billion (+35% YoY).

KMF has 114 sales points throughout Kazakhstan, which cover more than 4,000 settlements in 14 branches located in major cities of Kazakhstan. The Company has an important social impact on the business of clients, providing support in the form of financial and non-financial services. Thanks to KMF microloans more than 183,000 jobs were created. In addition, entrepreneurs finance about 40,000 jobs for their employees, thereby ensuring their employment.

Social Performance

67% of our clients, and this is 162,000 people, are residents of rural areas, who have utilized 61% of the Company's loan portfolio.

It is worth noting that 60% of all clients are women, and 90 thousand of those clients provided with our credit facilities are women in rural areas.

Data as of 31 December 2018

Share of clients by source of income	
Income from business	37%
Income from agriculture	35%
Average loan amount and coverage of low-income population	
Average loan amount (only micro business clients), total	509.000

¹ Hereinafter “loan portfolio” means the outstanding principal amount of loans to clients before impairment provisioning as of 31.12.2018.

Coverage of low-income population: Income per family member <1 minimum living wage (for new clients)	3.4%
Service quality	
Client satisfaction survey	94.7%
Client retention rate	81%
Coverage by the Financial Literacy Project	135.000 (55% of active clients)
Jobs created due to KMF financing	
Number of financed jobs (self-employed clients + hired workers)	275.310
including self-employed clients (financing of micro enterprises)	175.590
including number of workers hired by our clients	99.720

Financial Literacy Improvement Project

Corporate social responsibility of the Company encompasses not only the provision of financial services, but also free financial literacy training.

Since 2013, with the support of its major shareholder Corporate Fund "KMF-Demeu", KMF has been implementing the Project for Improving Financial Literacy among the population of Kazakhstan. Trainings are free of charge not only for our clients, but for all other citizens of Kazakhstan. As of 01 January 2018, the total number of participants of the Financial Literacy Improvement Project exceeded 135,000 people. Over 7,500 KMF's borrowers visited trainings on financial literacy in business management.

Social and Environmental Management System (SEMS) by categories of environmental risk exposure

The company adopted the Methodology for the Social and Environmental Management System (SEMS) and applies it in its practice. According to this methodology, various degrees of exposure are defined for those types of borrowers' activities that may have an adverse environmental impact.

As of 01.01.2019, the distribution of KMF environmental risk exposure was as follows:

Exposure	Clients	Loan Portfolio, USD	Share of the total number of clients	Share of the loan portfolio
High	35	136,666	0.01%	0.04%
Moderate	112,990	140,948,328	46.36%	45.73%
Low	130,689	167,166,477	53.62%	54.23%
Total	243,714	308,251,471	100.00%	100.00%

***** High environmental risk exposure** - Activity of a borrower/applicant and/or a loan may have significant adverse effect on the environment or human health and safety. For example: activities with professional risk or threat to human health; irrigation or other projects affecting water supply or contributing to pollution of water resources, production with significant emissions and/or waste disposal, production with the use of harmful and/or hazardous substances.

**** Moderate environmental risk exposure** - Activity of an applicant/borrower and/or a loan may entail environmental implications, but these implications are specific for individual sites,

and few of them (if any) are irreversible. For example: hotel/touristic business, agricultural production on a small scale, maintenance and repair of motor vehicles, etc.

* **Low environmental risk exposure** - Activity of an applicant/borrower and/or a loan has minimal or no adverse environmental and/or social impact. For example: repair of household appliances; wholesale and retail trade not related to the list of activities that are not eligible for financing, services at home, etc.

The range of proposed "green" non-financial services is currently limited to advising clients within the framework of Shanyrak loan product ("House repair for improving energy efficiency") and discussion with clients involved in activities with medium and high environmental risk exposure. Financial benefits of using energy-efficient lamps and overall reduction of water and electricity consumption are also briefly mentioned in the financial literacy brochure. Moreover, employees voluntarily participate in tree planting campaigns in their free time. However, KMF has not yet introduced a special loan product designed for renewable energy and/or energy efficiency or products designed to promote environmentally friendly technologies and activities (for example: recycling, waste management, clean water, etc.).

Charity

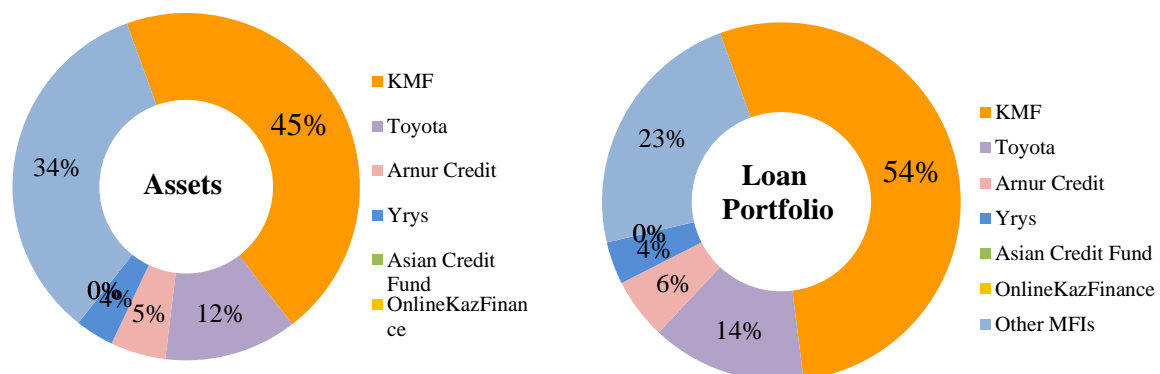
Charity plays an important role in the social activities of the Company. Employees share and support this vision of the Company. Since 2014, all KMF branches have been participating in "Kindness Campaign", under which KMF employees provide financial help to people who are in need, or help such people with household chores, etc. Employees are patronizing veterans of the Great Patriotic War, multi-child families and orphanages. Since 2018, the Company also has been participating in Almaty Marathon by providing financial assistance to children with special needs, allowing them to realize their potential and enabling them to lead an active lifestyle and develop physically. Almaty Marathon allocates a portion of funds from registration fees of participants to construct sports infrastructure necessary for children with special needs.

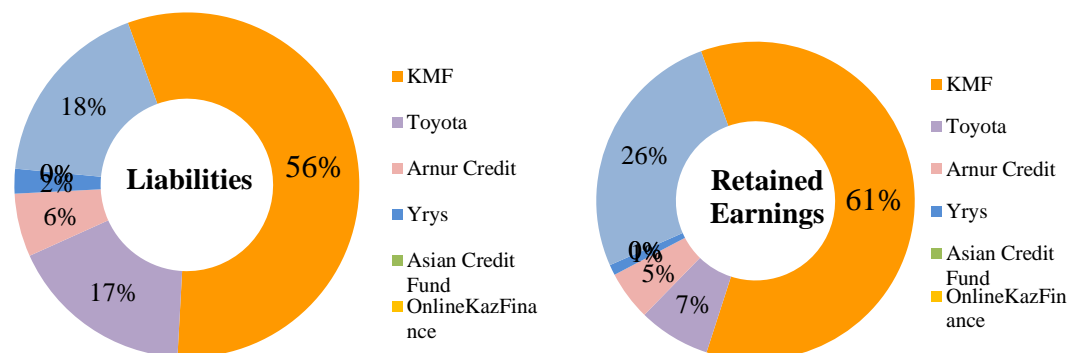
3. Brief Overview of the Microfinance Market for 2018

At the end of 2018, there were 157 MFIs in the market. Following the results of 2018, total assets of the sector increased by 52% and amounted to KZT 287 billion. Net loan portfolio of the sector grew by 37% and amounted to KZT 219 billion.

Net profit of MFIs for 12 months was KZT 12.9 billion, which is almost twofold greater than the figure for the same period in 2017. Equity also increased by 78% or KZT 48 billion.

KMF share in the microfinance sector at the end of 2018





In 2018, KMF managed to achieve 35% of the portfolio growth, at the same time the Company retained high quality of the loan portfolio - PAR> 30 was 2%² at the end of 2018. Efficiency has also improved, which can be confirmed by many indicators (for example: the overhead rate improved from 59.4% in 2017 to 46.2% in 2018).

The Company keeps the leading position in the microfinance market of Kazakhstan with the largest portfolio (over 54% of the market share) and the largest regional network (114 points of sale).

In 2018, in order to improve the efficiency of KMF business processes, the following important tasks have been implemented:

- ✓ transformation of the organizational structure of eight branches not covered in 2017 was completed;
- ✓ credit management system was upgraded and optimized in order to improve its capacity;
- ✓ new conditions for loan products that are aimed at satisfying clients' needs and increasing their loyalty were introduced;
- ✓ electronic queue system was installed at all KMF outlets;
- ✓ Company's wireless network was upgraded;
- ✓ post-credit verification project with the use of tablets was implemented;
- ✓ new marketing campaign to increase the Company's brand awareness in the regions was launched;
- ✓ new model of provisioning in accordance with IFRS 9 was introduced and validated;

Optimization of the organizational structure of branches and the Head Office, updating and introduction of new technologies, optimization of business processes, increase of promotional activity in the regions and high level of client loyalty, increase in the professional level of staff and active participation in socially significant projects created additional prerequisites for increasing the competitiveness of KMF.

The key financial indicators for 2018 are presented in the table below:

Indicators	2018	2017	2016
Return on assets (ROA),%	8.9%	7.1%	4.3%
Portfolio at risk>30 days, %	2.0%	1.6%	1.8%
Leverage	3.4	3.7	4.3
Capital adequacy, %	22.6%	21.1%	18.8%
Loan portfolio yield, %	41.8%	42.7%	41.6%
Overhead costs ratio, %	46.2%	59.4%	71.3%

²This is the ratio of the amount of overdue loans over 30 days to the outstanding principal amount of loans to clients before impairment provisioning as of 31.12.2018

4. Overview of KMF financial performance for 2018

The Company prepares financial statements in accordance with the International Financial Reporting Standards (IFRS) and the laws and regulations of the Republic of Kazakhstan on accounting and financial reporting.

All data in this section are taken from the financial statements confirmed by the audit report for years ended on 31 December 2016, 2017 and 2018.

At the end of 2018, KMF net profit amounted to KZT 10 billion, which is by 81% greater than the net profit for 2017. KMF's ROA for 2018 was 8.9%, taking into account that average ROA in the microfinance market was 7.0% (according to the National Bank of Kazakhstan³). Growth in the net profit was mainly due to the growth in the loan portfolio by 35%, decrease in the cost of new funding, as well as number of measures aimed at increasing efficiency of operating expenses.

As in previous years, 99% of the aggregate interest income was received on loans to clients. In the reporting year, interest income was received in the amount of KZT 42.8 billion, which is greater than the result of the last year by KZT 13 billion or 44%. Income on short-term investments increased by KZT 318 million or 179% and amounted to KZT 495.7 million. Decrease in the portfolio yield was due to the improvement of lending conditions for clients by the Company. In 2018, in order to increase loyalty of clients and accessibility of loan products, the Company reduced nominal interest rates on a number of products.

Interest expenses amounted to KZT 15.7 billion, which is by KZT 4.8 billion or 43% higher as compared to the result of 2017. The growth in interest expenses was due to the increase in liabilities at the end of 2018.

KZT mln					
Income Item	2018	2017	2016	2018/ 2017	2017/ 2016
Financial income:	43 257	29 976	17 602	44%	70%
Interest income on loans	40 181	27 825	16 435	44%	69%
Commission income on loans	2 310	1 820	984	27%	85%
Other portfolio income	270	153	74	75%	109%
Income on short-term investments	496	178	109	179%	63%
Financial expenses	15 699	10 947	5 447	43%	101%
Financial margin	27 558	19 029	12 155	45%	57%

Provisioning expenses for impairment of assets increased by KZT 1.5 billion as compared to the last year and, in 2018, they amounted to KZT 2.1 billion. Significant increase in provisioning expenses was due to: a) 35% increase in the loan portfolio; b) revaluation of provisions in connection with transition to the new provisioning standard under IFRS 9.

In 2018, net expenses on transactions with financial instruments measured at fair value through profit or loss amounted to KZT 131.2 million, including expenses from changes in fair value of currency swaps in the amount of KZT 77.2 million (in 2017, expenses amounted to KZT 398.5 million) and forwards in the amount of KZT 54 million (in 2017, expenses amounted to KZT 202.2 million). In 2018, the loss from transactions with financial instruments significantly decreased as compared with the previous year due to the decrease in the volumes of transactions (in 2017, the loss was KZT 600.7 million).

Operating expenses amounted to KZT 12.7 billion, which is by KZT 1.6 billion or 14% higher as compared to the result of 2017. At the same time, the growth rate of expenses is significantly lower than the growth rate of incomes (income grew by 44%), which indicates the improvement of use of Company's operating expenses.

The most significant increase in absolute terms was shown by personnel expenses, which are the largest item of operating expenses (70.7% of operating expenses). The growth in personnel expenses amounted to KZT 1.1 billion or 13%, which is caused by the increase in the number of

³Source: Report of NBK "Information on Microfinance Institutions" as of 01.01.2019

personnel by 215 people, as well as indexation of personnel salaries proportionally to the rate of inflation.

At year-end 2018, the number of employees amounted to 1,908 people. The growth in the number of employees was mainly due to the increase in the number of employees of the credit department - by 16% or 144 people. The growth of other employees was 9% or 71 people.

The growth in other administrative expenses amounted to KZT 0.5 billion or 16% that was caused by investments in development, improvements of branch network and information systems, expansion of the network of own terminals for loan repayment acceptance, strengthening of security at offices and improvement of terms and conditions of loan products.

Despite the growth in operating expenses in absolute values, the efficiency of operating expenses improved by 3.5% and at the end of 2018 it amounted to 12.4% (at the end of 2017 - 15.9%). Of these, the efficiency of personnel expenses was 8.8%, which is much better than the result of 2017 (11.3%), and the efficiency of other administrative expenses was 3.6%, having improved by 1% as compared to 2017 (4.6%).

Following the results of 2018, the ratio of operational expenses to financial income amounted to 29% showing the improvement by 8% as compared to the results of 2017 (37%).

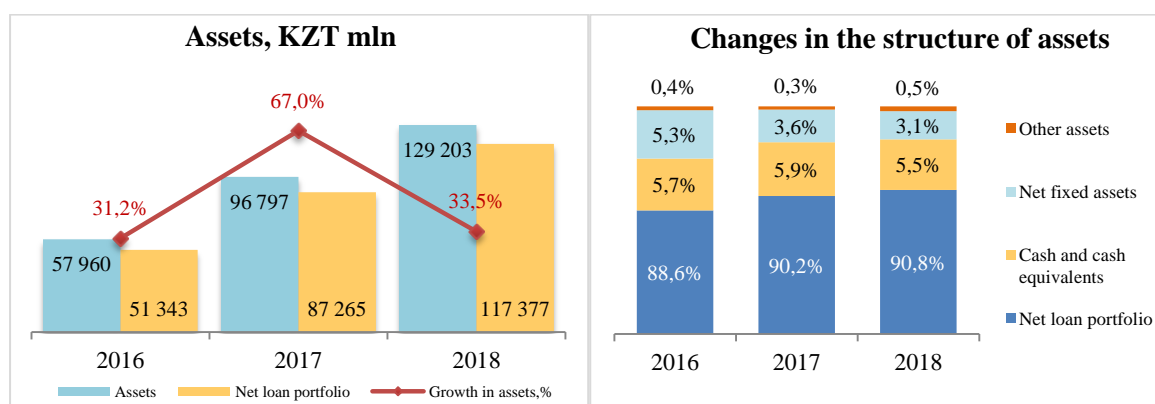
5. Statement of Financial Position

Overview of KMF assets

At the end of 2018, KMF assets increased by 33% up to KZT 129.2 billion as compared to KZT 96.8 billion at the end of 2017. The dynamics of assets is mainly defined by changes in the net loan portfolio.

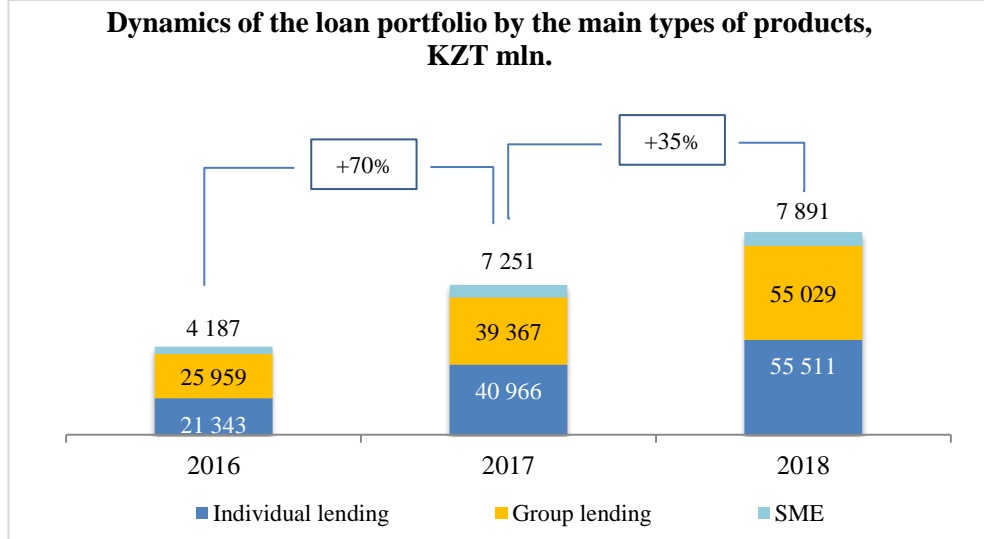
	KZT mln				
Assets	2018	2017	2016	2018/2017	2017/2016
Cash and cash equivalents	7 159	5 721	3 300	25%	74%
Amounts due from credit institutions	11	12	14 766	(9%)	(16%)
Net loan portfolio	117 377	87 265	51 343	35%	70%
Other assets	535	324	235	65%	38%
Investment property	148	0	0	-	-
Net fixed assets and intangible assets	3 973	3 475	3 082	14%	13%
TOTAL ASSETS	129 203	96 797	57 960	33%	67%

Net loan portfolio is the largest Company's asset: it accounts for 90.8% of the total assets. The share of liquid assets, including cash and short-term investments, was 5.5%. The share of net fixed assets was 3.1%.



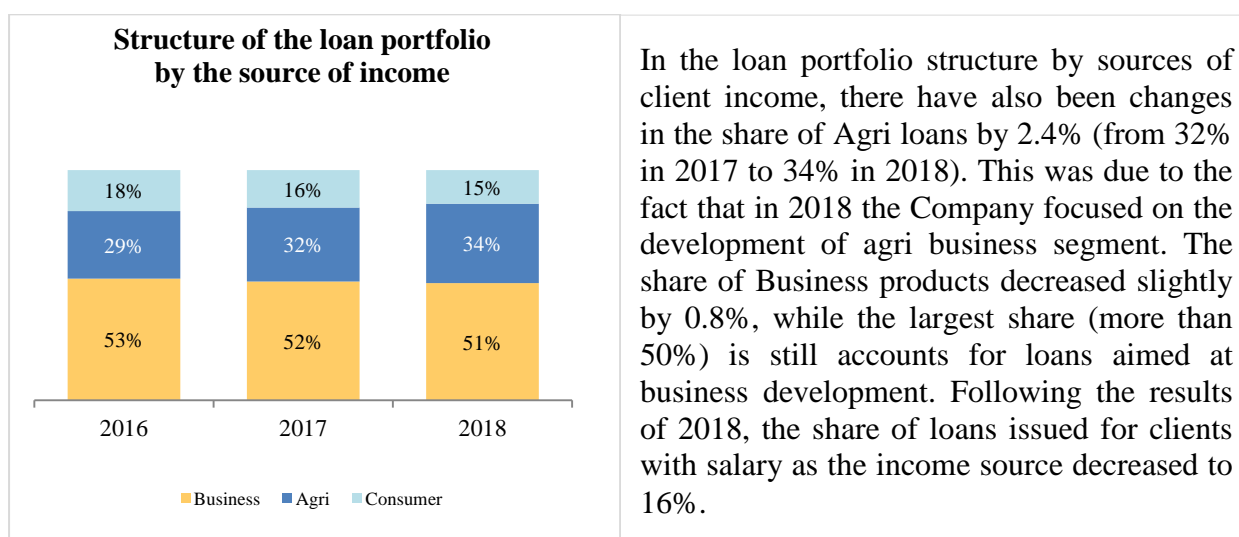
Loan Portfolio

KMF total loan portfolio before provisioning increased by 35% year-on-year and amounted to KZT 118.4 billion. Positive dynamics and significant volume of the loan portfolio was achieved due to the competitive conditions and individual approach to each client, as well as due to the measures aimed at increasing client loyalty.



Loan portfolio dynamics shown in the diagram illustrates stable loan portfolio growth. For 2017-2018, the loan portfolio volume increased by 130% or KZT 67 billion.

For 2018, the loan portfolio structure by lending methodology has changed slightly. The share of group lending increased by 1.5% to 46%, the share of individual lending remained at the level of 47% with the slight increase of 0.1%. The share of SME loans in the total loan portfolio decreased by 1.6% and consolidated at the level of 7%, the total volume of SME products amounted to KZT 7.9 billion.



All changes in the portfolio structure correspond to the Company's strategic goals.

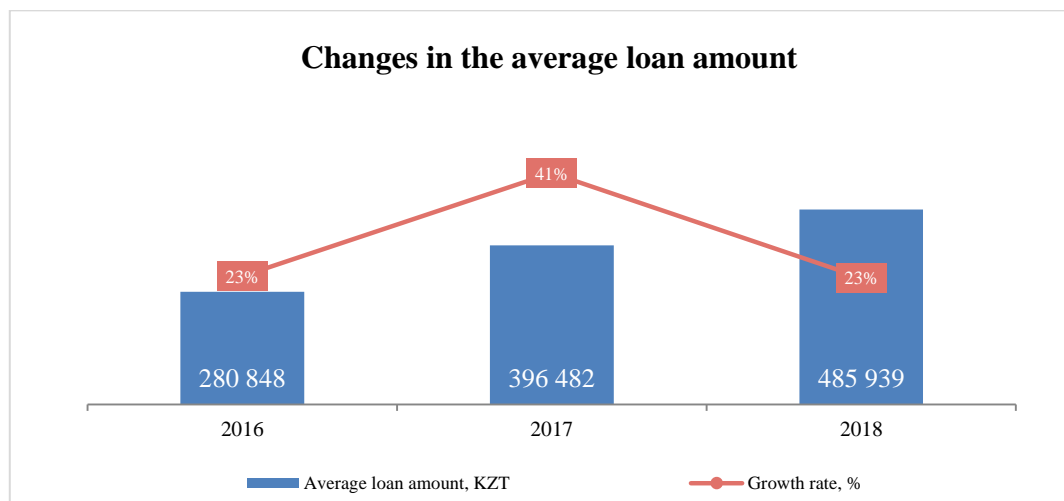
The growth rate of the loan portfolio is explained by the demand for KMF products and construction of processes aimed at increasing efficiency and productivity of employees. In 2018, the total active client base increased by 22,811 clients or 10.3% and amounted to almost 244 thousand people.

The share of loans issued to existing clients increased by 2% and by the end of 2018 amounted to 79%. One of the reasons for the growth in the number of loyal clients was introduction of a new loyalty program, which provides for building long-term relationships, encouraging positive credit history and obtaining additional beneficial conditions for clients. In 2018, the share of loyal clients increased up to 40% with the annual growth of 4%.

At the end of 2018, the volume of loans disbursed in KZT amounted to more than KZT 176 billion. As compared to the same period in 2017, the volume of disbursed loans was higher by 20% or KZT 30 billion.

One of the important options for improving the quality of client service is the provision of services through different channels. As of January 1, 2019, the following channels are functioning in the Company:

- ✓ own Call Center, which services both new and existing clients (more than 1,000 clients per day). Call Center receives voice calls, non-voice incoming messages, loan applications, as well as makes various outgoing calls and sends SMS;
- ✓ in the first half of the year, a new website www.kmf.kz was launched with “Personal Account” option for clients through which a client can apply for a loan, view loan application status, his/her current, future, early payments, loyalty program status;
- ✓ KMF mobile application with functions similar to the Personal Account on the website was launched;
- ✓ website and mobile application have the option of loan repayment through Visa and MasterCard;
- ✓ in all offices of the Company, in addition to cash offices, there are also 179 own payment terminals for loan repayment;
- ✓ also, clients can repay loans through payment terminals of our partners - QIWI, Astana Plat, Kassa 24 and Kazpost JSC in their settlements.

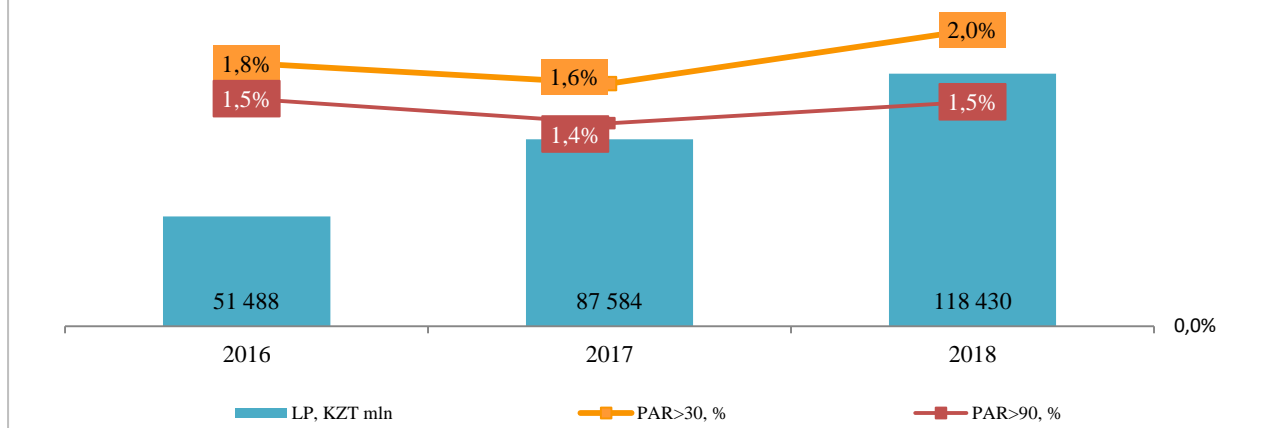


As in previous years, KMF remains within its target group of clients. Loans for the amount of less than one thousand US dollars account for 56% of the total volume of loans issued for the year. It should be noted that, in view of inflationary processes, in 2018, the trend of growth of the average loan amount continued. At the end of 2018, the average loan amount was KZT 486 thousand, having increased since the beginning of the year by KZT 89.4 thousand or 22.6%.

In 2018, loan loss provisions increased by 144% and amounted to KZT 3 billion. Increase in the loan loss provisions was due to two factors described above, in particular, growth in the loan portfolio and revaluation of provisions in connection with transition to the new provisioning standard under IFRS 9. At the same time, quality of the portfolio remains high (portfolio at risk >30 days is 2%), which indicates efficiency of aligned PAR monitoring and control functions and high quality of pre-disbursement analysis.

The strength of KMF is that the lending procedure for each of the Company's loan product is strictly regulated. Assessment of the credit risk includes such parameters as payment discipline, credit history, and frequency of default. The process of loan approval is effective, which is certified by the low level of non-performing loans with overdue interests or principal for more than 30 days (or PAR>30 days). In 2018, coverage by provisions for portfolio at risk over 30 days was 128%, having increased since the beginning of the year by 41% (86% in 2017).

Changes in PAR and loan portfolio



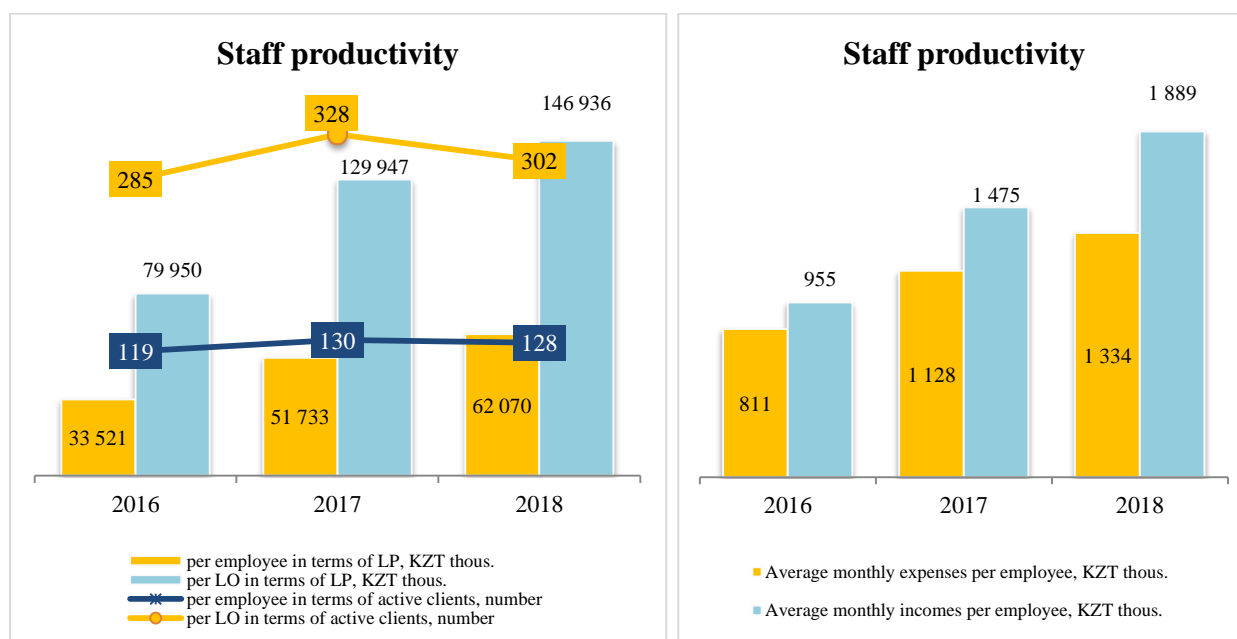
Due to organization of high-quality disbursement of microloans and rational approach to managing credit risks of the portfolio, by the end of 2018, the quality of the portfolio remains high. Portfolio at risk >30 days was 2%, which is slightly higher than the result of 2017. A slight increase in PAR>30 days is explained by several reasons, such as: a) increase in the borrowers' debt burden due to a foreign economic factor; b) worse dynamics of the loan portfolio growth rate in 2018 due to the policy of moderate portfolio growth; 3) continuing growth dynamics in the average loan amount.

The share of non-performing PAR90 loans remains at the level of 1.5%, which is a fairly good result.

Productivity of Loan Officers

Decline in productivity of loan officers in terms of the number of active clients at the end of 2018 is temporary. This was due to the increase in the number of Credit Department staff in Q4 2018, as a result of which the number of loan officers increased by 81 people.

Productivity in terms of the loan portfolio volume has improved since the beginning of the year. The table below shows productivity per Company's employee and workload per loan officer (LO).



Improvement of staff efficiency is also confirmed by improvement of such indicators as "Income per employee" and "Expenses per employee".

Инвестиционная недвижимость

Во второй половине 2018 года Компания приняла решение сдать в аренду неиспользуемые здания офисов с прилегающими земельными участками. В связи со сменой целевого использования данных объектов, Компания реклассифицировала здания и землю в состав инвестиционной недвижимости.

По результатам проведенной переоценки основных средств, Компания признала прочий совокупный доход в размере 99 млн. тенге.

Fixed assets

As of 31 December 2018, net book value of KMF's fixed assets and intangible assets was KZT 4 billion. The growth in the residual book value for the reporting period was KZT 498 million or 14%. This increase was due to the acquisition of hardware for new employees, server hardware for the data center project, acquisition and installation of new payment terminals for accepting repayments from clients, acquisition of new licenses and software, renovation of Company's vehicle fleet and office furniture at the offices of sales points.

Following the results of 2018, the share of net fixed assets in the total assets was 3%. KMF's investments in its own property do not exceed 10% of the total value of the Company's assets proving the rational use of its own funds and borrowings. The residual value of fixed assets as of 31 December 2018 is presented in the table below.

KZT mln

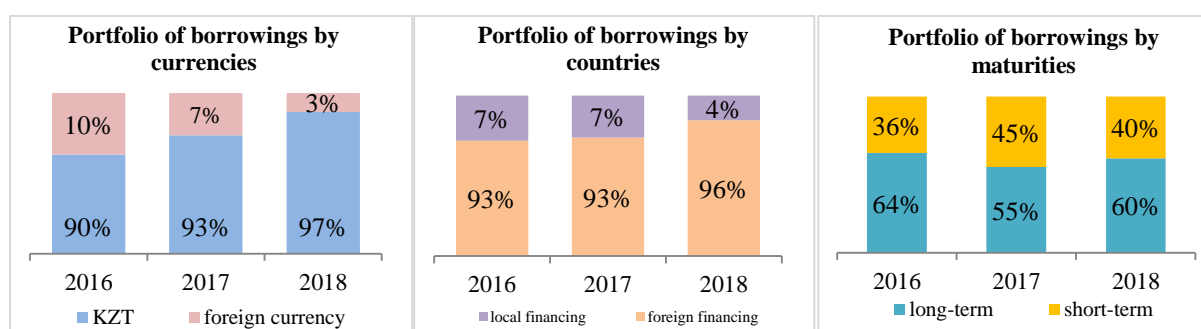
Fixed assets	2018	2017	2016	2018/ 2017	2017/ 2016
Land and buildings	2,123	2,090	1,952	2%	7%
Office furniture and equipment	656	544	394	21%	38%
Hardware	653	483	398	35%	21%
Vehicles	255	197	160	29%	23%
Intangible assets	204	157	177	30%	-11%
Construction in progress	84	4	0	2044%	2981%
TOTAL	3,973	3,475	3,082	14%	13%

Liabilities

At the end of 2018, KMF's total liabilities increased by 31% and amounted to KZT 100 billion, as compared to KZT 76.4 billion at the end of 2017.

The Company's liabilities include borrowings and other liabilities. The ratio of liabilities to the balance sheet total is 77.4%. The main driver of growth in liabilities is still the growth in borrowings from international development institutions and foreign investment companies that support the microfinance segment.

The volume of liabilities to lenders has increased for the period by 30% or KZT 22.4 billion and amounted to KZT 96.5 billion.



**excluding B2B loans*

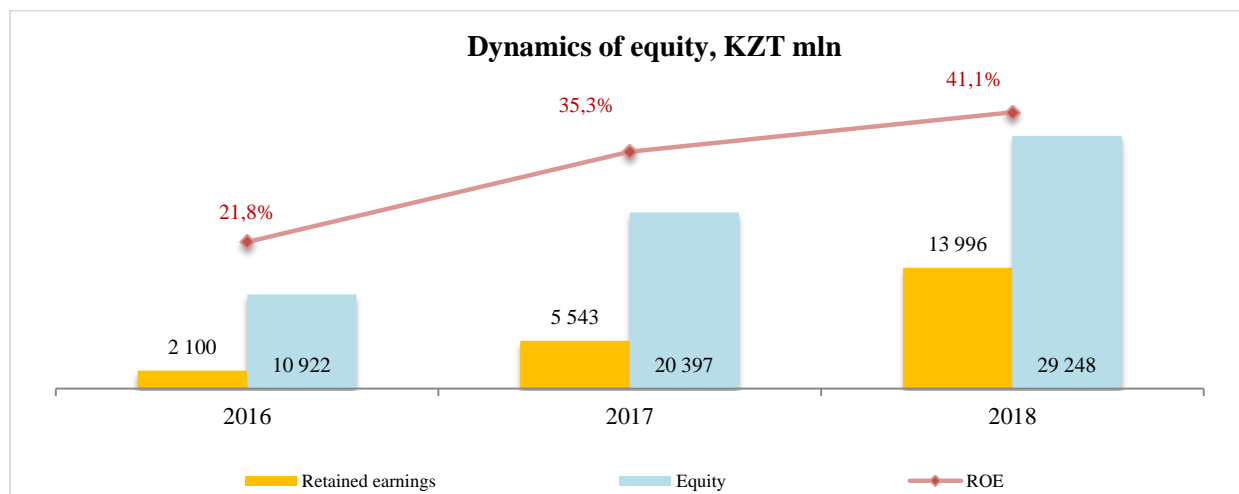
The Company has rather extensive list of funding sources represented both by international financial institutions and local commercial banks. About 97% of total borrowings accounted for tenge received from foreign financial institutions from Western Europe and the United States (their share is 96%).

In 2018, new borrowings were raised mainly in local currency (KZT). The company followed the low-key policy in terms of the foreign currency loans in order to reduce FX risks. Following the results of 2018, the share of loans in USD amounted to 3% of the total volume of borrowings, having decreased from 7% year-on-year.

In 2018, KMF raised the second syndicated loan arranged by IFC for the amount of \$82 million, which allowed the Company to cover 50% of the annual funding needs.

Equity

As of 31 December 2018, the amount of charter capital was KZT 14.4 billion and equity was 29.2 billion, which is by 43.4% higher than in 2017. Retained earnings at the reporting date of 2018 (taking into account profit of the prior period) amounted to KZT 14 billion. Dynamics of return on equity shows significant improvement of this indicator from year to year, in 2018, the growth of this indicator improved by 5.8% year-on-year.



In April 2018, according to the decision of the General Meeting of Shareholders, the Company's Reserve Fund was replenished by KZT 298 million and dividends were paid out in the amount of KZT 1 billion.

Following the results of 2018, capital adequacy ratio was at the level of 22.6%, which is much higher than the minimum level set by the National Bank of the Republic of Kazakhstan.

Prudential ratios are higher than the limits set by the NBRK:

#	Name of the prudential ratio	Limit	Actual	Compliance with the prudential limits
1	Paid-up charter capital	\geq KZT 30 mln.	KZT 14,431 mln.	✓
2	Calculated equity	\geq KZT 30 mln.	KZT 29,248 mln.	✓
3	Equity adequacy ratio	$k1 \geq 0.1$	0.226	✓