

**ForteBank Joint Stock Company**

**Interim condensed consolidated financial statements**

*31 March 2024*

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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME****For the three-month period ended 31 March 2024***(millions of tenge)*

	Note	For the three-month period ended 31 March	
		2024 (unaudited)	2023 (unaudited)
Interest income calculated using effective interest rate	4	116,886	81,955
Other interest income	4	1,163	652
Interest expense	4	(59,809)	(40,825)
<b>Net interest income</b>		<b>58,240</b>	<b>41,782</b>
Fee and commission income	5	8,068	8,381
Fee and commission expense	5	(3,307)	(3,456)
Net loss on transactions with financial instruments at fair value through profit or loss		(216)	(71)
Net gain on derecognition of investment securities at fair value through other comprehensive income		15	677
Net gains from foreign currencies	6	6,429	9,262
Other income	9	579	1,289
<b>Non-interest income</b>		<b>11,568</b>	<b>16,082</b>
Credit loss expense	7	(4,121)	(11,731)
Net loss on derecognition of financial assets measured at amortized cost		(226)	(890)
Net loss on derecognition of financial liability as a result of modification	17	(3,593)	–
General and administrative expenses	8	(21,870)	(16,349)
Other expenses	9	(1,102)	(1,726)
<b>Non-interest expense</b>		<b>(30,912)</b>	<b>(30,696)</b>
<b>Profit before corporate income tax</b>		<b>38,896</b>	<b>27,168</b>
Corporate income tax (expense)/benefit	10	(4,325)	807
<b>Profit for the period</b>		<b>34,571</b>	<b>27,975</b>
<b>Other comprehensive income</b>			
<i>Other comprehensive income/ (loss) to be reclassified to profit or loss in subsequent periods</i>			
Net change in fair value of debt instruments at fair value through other comprehensive income		15,099	8,995
Income tax relating to components of other comprehensive income		57	(81)
Changes in allowance for expected credit losses of debt instruments at fair value through other comprehensive income			
Reclassification of cumulative loss on disposal of debt instruments at fair value through other comprehensive income to profit or loss	7	413	288
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>		<b>(15)</b>	<b>(677)</b>
		<b>15,554</b>	<b>8,525</b>
<i>Other comprehensive (loss)/ income, that will not be reclassified subsequently to profit or loss</i>			
(Loss)/Gain on equity investments measured at fair value through other comprehensive income		(1)	136
<b>Total other comprehensive income that will not be reclassified to profit or loss in subsequent periods</b>		<b>(1)</b>	<b>136</b>
<b>Other comprehensive income for the period net of income tax</b>		<b>15,553</b>	<b>8,661</b>
<b>Total comprehensive income for the period</b>		<b>50,124</b>	<b>36,636</b>
Basic and diluted earnings per ordinary share (tenge)	22	0.38	0.31

R.I. Irmatov  
Deputy Chairman of the Management Board (CFO)

15 May 2024

Z.B. Albossinova  
Chief Accountant – Managing Director

The accompanying notes on pages 7 to 38 are an integral part of these interim condensed consolidated financial statements.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****At 31 March 2024***(millions of tenge)*

	<i>Note</i>	<i>31 March 2024 (unaudited)</i>	<i>31 December 2023</i>
<b>Assets</b>			
Cash and cash equivalents	11	870,274	704,042
Amounts due from financial institutions	12	64,379	101,430
Securities measured at fair value through profit or loss		2,542	3,016
Loans to customers	13	1,440,133	1,377,500
Investment securities			
<i>Held by the Group</i>	14	<i>797,936</i>	<i>789,486</i>
<i>Pledged under sale and repurchase agreement</i>	14	<i>294,307</i>	<i>164,168</i>
Property and equipment		56,034	56,665
Intangible assets		16,261	13,867
Other assets	15	43,393	43,001
<b>Total assets</b>		<b>3,585,259</b>	<b>3,253,175</b>
<b>Liabilities</b>			
Current accounts and deposits from customers	16	2,386,289	2,261,023
Amounts due to banks and other financial institutions	17	77,425	68,384
Amounts payable under repurchase agreements	18	294,566	163,523
Debt securities issued	19	272,483	267,250
Subordinated debt	20	14,647	14,389
Deferred tax liabilities	10	13,361	12,732
Other liabilities	15	46,556	36,066
<b>Total liabilities</b>		<b>3,105,327</b>	<b>2,823,367</b>
<b>Equity</b>			
Share capital	21	332,815	332,815
Additional paid-in capital		23,651	23,651
Treasury shares	21	(3,465)	(3,465)
Fair value reserve		9,509	(6,044)
Retained earnings		117,422	82,851
<b>Total equity</b>		<b>479,932</b>	<b>429,808</b>
<b>Total equity and liabilities</b>		<b>3,585,259</b>	<b>3,253,175</b>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****For the three-month period ended 31 March 2024***(millions of tenge)*

	<i>Note</i>	<i>For the three-month period ended 31 March</i>	
		<i>2024 (unaudited)</i>	<i>2023 (unaudited)</i>
<b>Cash flows from operating activities</b>			
Interest received	4	114,001	77,341
Interest paid	4	(54,057)	(37,326)
Fee and commission received		7,959	8,063
Fee and commission paid		(3,318)	(3,464)
Net realized (loss)/gain on financial instruments at fair value through profit or loss		(209)	(131)
Net realized gain from foreign currency transactions	6	6,509	9,087
Other operating (expenses paid)/income received		(560)	56
General and administrative expenses paid		(15,661)	(9,175)
<b>(Increase)/decrease in operating assets</b>			
Amounts due from financial institutions		35,474	(2,827)
Securities measured at fair value through profit or loss		496	72
Loans to customers		(66,460)	(20,391)
Other assets		(2,112)	(883)
<b>Increase /(decrease) in operating liabilities</b>			
Current accounts and deposits from customers		140,688	9,349
Amounts due to banks and other financial institutions		9,510	(758)
Amounts payable under repurchase agreements		130,951	(34,642)
Other liabilities		(543)	1,634
<b>Net cash flow from/(used in) operating activities before corporate income tax paid</b>		<b>302,668</b>	<b>(3,995)</b>
Corporate income tax paid		(734)	(24)
<b>Net cash flows from/(used in) operating activities</b>		<b>301,934</b>	<b>(4,019)</b>
<b>Cash flows from investing activities</b>			
Proceeds from redemption of investment securities measured at amortized cost		–	4,834
Purchase of investment securities at fair value through other comprehensive income		(257,488)	(65,623)
Proceeds from sale of investment securities at fair value through other comprehensive income		4,791	10,207
Proceeds from redemption of investment securities at fair value through other comprehensive income		125,724	51,502
Purchase of property and equipment and intangible assets		(3,340)	(805)
Proceeds from sale of property and equipment and intangible assets		1	–
<b>Net cash (used in)/from investing activities</b>		<b>(130,312)</b>	<b>115</b>
<b>Cash flows from financing activities</b>			
Repayment of finance lease liabilities		(454)	(164)
Repayment of subordinated debt		–	(2,313)
Proceeds from the placement of debt securities issued		180	–
<b>Net cash used in financing activities</b>		<b>(274)</b>	<b>(2,477)</b>
<b>Net change in cash and cash equivalents</b>		<b>171,348</b>	<b>(6,381)</b>
Effect of changes in exchange rates on cash and cash equivalents		(5,111)	(7,591)
Effect of expected credit loss on cash and cash equivalents		(5)	3
Cash and cash equivalents at the beginning of the period		<b>704,042</b>	<b>457,962</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>870,274</b>	<b>443,993</b>
<b>Non-monetary transactions</b>			
Repossession of collateral on loans to customers	13	278	216

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****For the three-month period ended 31 March 2024***(millions of tenge)*

	<i>Share capital</i>	<i>Additional paid-in capital</i>	<i>Treasury shares</i>	<i>Fair value reserve</i>	<i>Retained earnings</i>	<i>Total equity</i>
<b>At 1 January 2024</b>	332,815	23,651	(3,465)	(6,044)	82,851	429,808
Profit for the reporting period (unaudited)	–	–	–	–	34,571	34,571
Other comprehensive income for the period (unaudited)	–	–	–	15,553	–	15,553
<b>Total comprehensive income for the period (unaudited)</b>	–	–	–	15,553	34,571	50,124
<b>At 31 March 2024 (unaudited)</b>	<b>332,815</b>	<b>23,651</b>	<b>(3,465)</b>	<b>9,509</b>	<b>117,422</b>	<b>479,932</b>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)**

	<i>Share capital</i>	<i>Additional paid-in capital</i>	<i>Treasury shares</i>	<i>Fair value reserve</i>	<i>Accumulated losses</i>	<i>Total equity</i>
<b>At 1 January 2023</b>	332,815	23,651	(3,465)	(23,886)	14,645	343,760
Profit for the reporting period (unaudited)	–	–	–	–	27,975	27,975
Other comprehensive loss for the period (unaudited)	–	–	–	8,661	–	8,661
<b>Total comprehensive income for the period (unaudited)</b>	–	–	–	8,661	27,975	36,636
<b>At 31 March 2023 (unaudited)</b>	332,815	23,651	(3,465)	(15,225)	42,620	380,396

*(in millions of tenge)*

## 1 General

### Principal activities

These interim condensed consolidated financial statements include financial statements of ForteBank Joint Stock Company (hereinafter, the “Bank”) and its subsidiaries (hereinafter, the “Group”).

The Bank was formed in 1999 under the laws of the Republic of Kazakhstan. On 10 February 2015, the Bank was reregistered to ForteBank JSC (formerly, Alliance Bank JSC).

Legal address of the Bank’s head office: 010017, Republic of Kazakhstan, Astana, Dostyk Str. 8/1. The Bank’s activities are regulated by the Agency for Regulation and Development of the Financial Market of the Republic of Kazakhstan (hereinafter, the “AFM”). The Bank operates under license No. 1.2.29/197/36 for conducting banking and other activities and operations on securities market stipulated by the banking legislation, issued by the AFM on 3 February 2020, which replaces previous licenses.

The Group’s primary business is related to commercial banking activities, granting of loans and guarantees, accepting deposits, exchanging foreign currencies, dealing with securities, transferring cash payments, as well as providing other banking services. As at 31 March 2024 some debt securities issued by the Bank are listed on the Luxembourg Stock Exchange and the Kazakhstan Stock Exchange (hereinafter - the "KASE") and Astana International Exchange (hereinafter, the “AIX”) (31 December 2023: Luxembourg Stock Exchange, KASE and AIX).

The Bank is a participant of the Kazakhstan Deposit Insurance Fund (hereinafter, the “KDIF”). The primary objective of the KDIF is to protect interests of depositors in the event of forced liquidation of the participant bank. As at 31 March 2024 and 31 December 2023, depositors can receive limited insurance coverage for deposits, depending on the currency and type of the deposit: in tenge – up to 10 million tenge, in foreign currencies – up to 5 million tenge, savings deposits in tenge - up to 20 million tenge.

As at 31 March 2024 and 31 December 2023, the Group includes the following subsidiaries:

<i>Name</i>	<i>Country of incorporation</i>	<i>Principal activity</i>	<i>Ownership, %</i>	
			<i>31 March 2024 (unaudited)</i>	<i>31 December 2023</i>
ForteLeasing JSC	Republic of Kazakhstan	Leasing operations	100.0	100.0
OUSA Alliance LLP	Republic of Kazakhstan	Management of doubtful and bad assets	100.0	100.0
OUSA-F LLP	Republic of Kazakhstan	Management of doubtful and bad assets	100.0	100.0
ONE Technologies LLP	Republic of Kazakhstan	Software development	100.0	100.0
ForteFinance JSC	Republic of Kazakhstan	Brokerage and dealer activities, investment portfolio management activities	100.0	100.0

### Shareholders

As at 31 March 2024, Mr B. Zh. Utemuratov was the beneficial owner of 81.82% of the outstanding common shares of the Bank (including 0.2% in the form of outstanding global depository receipts) (31 December 2023: 81.82% including 0.2% in the form of outstanding global depository receipts) and was the ultimate controlling shareholder of the Group.



(in millions of tenge)

## 2 Basis of preparation

### Statement of compliance with IAS 34 *Interim Financial Reporting*

The interim condensed consolidated financial statements for the three-month period ended 31 March 2024 have been prepared in accordance with IFRS Accounting Standard (IAS) 34 *Interim Financial Reporting* issued by International Accounting Standard Board (IFRS Accounting Standards) and Regulations of the National Bank of Kazakhstan.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2023.

The interim condensed consolidated financial statements are presented in millions of Kazakhstan Tenge ("Tenge" or "KZT"), unless otherwise is stated.

### Basis of measurement

These interim condensed consolidated financial statements are prepared on the historical cost basis except for the investment securities measured at fair value through other comprehensive income and securities measured at fair value through profit or loss that are stated at fair value.

The functional currency of the Bank and its subsidiaries is tenge as, being the national currency of the Republic of Kazakhstan, it reflects the economic substance of the majority of the Group's transactions and circumstances relevant to them affecting its activities. As at 31 March 2024, the official exchange rate used for translation of foreign currency balances was 446.78 tenge for 1 US dollar (31 December 2023: 454.56 tenge per 1 US dollar).

The Kazakhstan Tenge is also the presentation currency for the purposes of these interim condensed consolidated financial statements.

Financial information of the interim condensed consolidated financial statements is rounded to the nearest million.

### Geopolitical events

As a result of the conflict between the Russian Federation and Ukraine many countries have imposed, and continue to impose, new sanctions on specified Russian entities and individuals. Sanctions have also been imposed on the Republic of Belarus.

Volatility in stock and currency markets, restrictions to imports and exports, availability of local materials and services and access to local resources, will directly impact entities that have significant operations or exposures with the Russian Federation, Republic of Belarus or Ukraine. However, the consequence of the current situation may directly or indirectly impact entities other than those with direct interests in the involved in conflict countries.

In order to manage country risk, the Group controls transactions with counterparties within the limits set by the collegiate body of the Bank, which are reviewed on a regular basis.

### Impact of floods in the Republic of Kazakhstan

The Republic of Kazakhstan faced its largest spring floods in more than 80 years after heavy snowmelt. The most critical situation is in Atyrau, Aktobe, Akmola, Kostanay, East Kazakhstan, North Kazakhstan and Pavlodar regions. A natural emergency was declared in a number of regions and cities in order to eliminate the consequences of floods. The Government of the Republic of Kazakhstan has taken various measures to support the population affected by floods and second-tier banks and microfinance organizations expressed their readiness to defer loan payments for three months for citizens affected by floods. Credit holidays of three months will also be given to individual entrepreneurs and small and medium-sized businesses. Additional measures of personal loan support will be provided based on the analysis of the individual case of each affected borrower in order to assess the impact of damage caused by disaster.

### Inflation and the current economic environment

The impact of the macroeconomic and geopolitical environment has exacerbated inflationary pressures in almost all economies around the world. High and rising energy prices are having a negative impact on the cost of other goods and services, resulting in significant consumer-price increases in many countries.

Prices of many commodities, including food, remain high. As at 31 March 2024, inflation rate in Kazakhstan was 9.1% (in 2023 – 9.8%).

Due to the increased of geopolitical tension in 2022, there has been a significant increase in volatility in the stock and currency markets.

(in millions of tenge)

## 2 Basis of preparation (continued)

### Inflation and the current economic environment (continued)

As at 31 December 2023 the Monetary Policy Committee of the National Bank of Kazakhstan (hereinafter, the “NBRK”) made decision to decrease the base rate to 15.75% per annum with an interest band of +/-1%. During the three-month period ended 31 March 2024, the NBRK made decision to decrease the base rate to 14.75% per annum with an interest band of +/-1%. On April 12, the NBRK decided to maintain the base rate at 14.75% due to the uncertainty of the consequences of abnormal floods in the regions of Kazakhstan.

The Group continues to assess the effect of these events and changing economic conditions on its activities.

Current inflationary pressures, macroeconomic and geopolitical uncertainty, including the impacts of the conflict in Ukraine affect the assumptions and estimation uncertainty associated with the measurement of assets and liabilities.

### Changes in accounting policies

The accounting policies applied in these interim condensed consolidated financial statements are the same as those applied by the Group in the last annual consolidated financial statements.

The Group has not early adopted any new standard, interpretation or amendment that has been issued but is not yet effective.

Other amendments and interpretations are applied for the first time in 2024, but do not have an impact on the Group's interim condensed consolidated financial statements.

A number of new standards and amendments to standards came into force on 1 January 2024 but they had no material effect on the Group's interim condensed consolidated financial statements:

- *Classification of Liabilities as Current or Non-current* (Amendments to IAS 1 and IAS 8);
- *Non-current Liabilities with Covenants* (Amendments to IAS 1);
- *Lease Liability in a Sale and Leaseback* (Amendments to IFRS 16).

## 3 Significant accounting judgements and estimates

### Estimation uncertainty

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In the process of applying the Group's accounting policies, management has used its judgements and made estimates in determining the amounts recognized in the interim condensed consolidated financial statements. The judgements made in applying the accounting policies and the key sources of estimation uncertainty were similar to those described in the last annual consolidated financial statements, except for the changes disclosed below.

(in millions of tenge)

### 3 Significant accounting judgements and estimates (continued)

#### Estimation uncertainty (continued)

##### *Forward-looking information and multiple economic scenarios*

As at 31 March 2024, the Group uses the following forward-looking information in its ECL calculation models as economic inputs:

- GDP growth;
- USD/KZT rate;
- Gross value added (hereinafter - GVA);
- GVA for agriculture, forestry and fisheries;
- GVA for industry;
- GVA for construction;
- GVA for wholesale and retail trade; repair of cars and motorcycles;
- GVA for real estate transactions;
- Base rate of the NBRK, %.

The Group obtains the forward-looking information from third party sources (external rating agencies, governmental bodies e.g. NBRK and international credit institutions). Experts of the Group's Strategic Risks Function determine the weights attributable to the multiple scenarios. A range of forecast values of key factors used by segments/subsegments depending on scenario weights in the ECL calculation as at 31 March 2024 are presented below:

*(in millions of tenge)***3 Significant accounting judgements and estimates (continued)**

<i>Key drivers</i>	<i>ECL scenario</i>	<i>Assigned probabilities, %</i>	<i>Forecast</i>
<b>GDP growth</b>	Positive	45,7%	106,5
	Base case	20,0%	104,1
	Negative	34,3%	102,7
<b>USD/KZT rate</b>	Positive	45,7%	479,9
	Base case	20,0%	490,9
	Negative	34,3%	544,5
<b>Gross value added (hereinafter – GVA)</b>	Positive	45,7%	106,2
	Base case	20,0%	104,1
	Negative	34,3%	102,3
<b>GVA for agriculture, forestry and fisheries</b>	Positive	45,7%	86,7
	Base case	20,0%	86,7
	Negative	34,3%	97,0
<b>GVA for industry</b>	Positive	45,7%	104,8
	Base case	20,0%	103,4
	Negative	34,3%	99,8
<b>GVA for construction</b>	Positive	45,7%	116,7
	Base case	20,0%	119,3
	Negative	34,3%	107,2
<b>GVA for wholesale and retail trade; repair of cars and motorcycles</b>	Positive	45,7%	114,3
	Base case	20,0%	109,4
	Negative	34,3%	107,2
<b>GVA for real estate transactions</b>	Positive	45,7%	101,7
	Base case	20,0%	101,7
	Negative	34,3%	100,4
<b>Base rate of the NBRK, %.</b>	Positive	45,7%	14,9%
	Base case	20,0%	15,1%
	Negative	34,3%	18,0%

As at 31 March 2024 the Group has updated the indicators of key macroeconomic factors used in ECL calculation. As a result of changes made, the allowance for ECL increased by 179 million tenge.

The amount of the allowance for ECL for loans to customers recognized in the interim condensed consolidated statement of financial position as at 31 March 2024 was 90,265 million tenge (31 December 2023: 90,263 million tenge). More details are provided in *Note 13*.

*(in millions of tenge)***4 Net interest income**

Net interest income comprises:

	<i>For the three-month period ended 31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Interest income calculated using effective interest rate</b>		
Loans to customers	70,377	52,783
Amounts due from financial institutions	21,384	6,197
Debt investment securities at FVOCI	19,449	17,448
Investment securities measured at amortized cost	4,267	4,337
Amounts receivable under reverse repurchase agreements	1,016	889
Other financial assets	393	301
	<b>116,886</b>	<b>81,955</b>
<b>Other interest income</b>		
Finance lease receivables	1,163	652
	<b>118,049</b>	<b>82,607</b>
<b>Interest expense</b>		
Current accounts and deposits from customers	(43,585)	(28,004)
Debt securities issued	(7,820)	(7,505)
Amounts payable under repurchase agreements	(7,046)	(4,168)
Amounts due to banks and other financial institutions	(1,074)	(864)
Subordinated debt	(284)	(284)
	<b>(59,809)</b>	<b>(40,825)</b>
<b>Net interest income</b>	<b>58,240</b>	<b>41,782</b>

Interest income calculated using the effective interest rate for the three-month period ended 31 March 2024 includes income of 2,250 million tenge representing the unwinding of discount on loans to customers (for the three-month period ended 31 March 2023: 2,243 million tenge).

Interest received is as follows:

	<i>For the three-month period ended 31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Interest received</b>		
Loans to customers	66,858	50,480
Amounts due from financial institutions	22,882	6,197
Debt investment securities at FVOCI	21,689	18,766
Finance lease receivables	1,163	652
Amounts receivable under reverse repurchase agreements	1,016	889
Investment securities measured at amortized cost	393	357
	<b>114,001</b>	<b>77,341</b>

*(in millions of tenge)***4 Net interest income (continued)**

Interest paid comprise:

	<i>For the three-month period ended 31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Interest paid</b>		
Current accounts and deposits from customers	(44,097)	(29,636)
Amounts payable under repurchase agreements	(6,898)	(4,157)
Debt securities issued	(2,531)	(2,534)
Amounts due to banks and other financial institutions	(506)	(881)
Subordinated debt	(25)	(118)
	<b>(54,057)</b>	<b>(37,326)</b>

**5 Fee and commission income and expense**

Fee and commission income is as follows:

	<i>For the three-month period ended</i>	
	<i>31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Card operations	3,367	3,799
Settlement transactions	2,109	2,130
Cash transactions	1,097	1,238
Commissions on guarantees and letters of credits	946	727
Foreign currency transactions and transactions with securities	106	133
Other	443	354
	<b>8,068</b>	<b>8,381</b>

Fee and commission expense is as follows:

	<i>For the three-month period ended</i>	
	<i>31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Maintenance of card accounts	(2,589)	(2,534)
Maintenance of nostro accounts	(227)	(226)
Settlement transactions	(206)	(164)
Customer accounts services by financial agents	(32)	(28)
Foreign currency transactions and transactions with securities	(57)	(27)
Other	(196)	(477)
	<b>(3,307)</b>	<b>(3,456)</b>

At 31 March 2024 and 31 December 2023, the Group recognized contract assets related to contracts with customers in the amount of 1,457 million tenge and 1,348 million tenge in the interim condensed consolidated statement of financial position within other assets, respectively (*Note 15*).

*(in millions of tenge)***6 Net gains from foreign currencies**

Net gain from foreign currencies comprises:

	<i>For the three-month period ended 31 March</i>	
	<i>2024 (unaudited)</i>	<i>2023 (unaudited)</i>
Dealing transactions, net	6,509	9,087
Foreign exchange revaluation, net	(80)	175
	<b>6,429</b>	<b>9,262</b>

**7 Credit loss expense**

Credit loss expenses comprised the following:

	<i>For the three-month period ended 31 March</i>	
	<i>2024 (unaudited)</i>	<i>2023 (unaudited)</i>
Loans to customers <i>(Note 13)</i>	(3,688)	(11,231)
Investment securities measured at FVOCI	(413)	(288)
Amounts due from financial institutions	178	(119)
Cash and cash equivalents	(4)	3
Other financial assets	(126)	(76)
Financial guarantees, letters of credit and credit related commitments	(60)	–
Investment securities measured at amortized cost	(8)	(20)
	<b>(4,121)</b>	<b>(11,731)</b>

**8 General and administrative expenses**

General and administrative expenses comprise:

	<i>For the three-month period ended 31 March</i>	
	<i>2024 (unaudited)</i>	<i>2023 (unaudited)</i>
Salary and related taxes	(11,972)	(9,787)
Depreciation and amortization	(2,356)	(2,134)
Charity and sponsorship	(2,308)	(746)
Telecommunication and information services	(1,912)	(838)
Taxes other than corporate income tax	(773)	(677)
Advertising and marketing	(754)	(461)
Maintenance of buildings	(547)	(530)
Security	(276)	(262)
Encashment	(213)	(138)
Transportation	(173)	(138)
Business trips	(119)	(40)
Repair and maintenance	(114)	(110)
Lease	(99)	(78)
Insurance	(75)	(94)
Other professional services	(54)	(85)
Other	(125)	(231)
	<b>(21,870)</b>	<b>(16,349)</b>

During the three-month period ended 31 March 2024, the Group provided a sponsorship to «Bulat Utemuratov Foundation» Private Fund for construction of a school in the city of Essik (Almaty Region). The school with a total area of 12,5 thousand square meters has a capacity of 900 schoolchildren. The completion of the construction is scheduled for September 2024.

*(in millions of tenge)***9 Other income and expenses**

Other income and expense comprise:

	<i>For the three-month period ended 31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Other income</b>		
Income from operating lease	193	341
Other	386	614
Net income from sale of repossessed collateral	–	271
Net income from government support programs of the economy	–	63
	<u>579</u>	<u>1,289</u>
<b>Other expenses</b>		
Net loss from sale of repossessed collateral	(373)	–
SMS notification expenses	(214)	(232)
Expenses on services provided by credit bureaus and public authorities	(201)	(295)
Other expenses on non-banking activities	(151)	(144)
Provisions for non-financial guarantees	(35)	(467)
Other	(128)	(588)
	<u>(1,102)</u>	<u>(1,726)</u>

**10 Corporate income tax (expense)/benefit**

Corporate income tax (expenses)/benefit comprise the following:

	<i>For the three-month period ended 31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Current corporate income tax expenses	(3,639)	(13)
Deferred corporate income tax (expenses)/benefit – origination and decrease of temporary differences	(686)	820
	<u>(4,325)</u>	<u>807</u>

Income tax expense is recognised at an amount determined by multiplying the profit before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the interim condensed consolidated financial statements may differ from management's estimate of the effective tax rate for the interim condensed consolidated financial statements.



*(in millions of tenge)***11 Cash and cash equivalents**

Cash comprises:

	<b>31 March 2024</b> <b>(unaudited)</b>	<b>31 December</b> <b>2023</b>
Cash on hand	52,197	68,036
Cash on current accounts with the NBRK rated BBB-	55,769	39,459
Cash on current accounts with other banks:		
- rated from A- to A+	83,273	43,716
- rated from BBB- to BBB+	11,318	2,384
- rated from BB- to BB+	28	238
- rated below B+	5	5
- not rated	6,842	6,894
Time deposits with the NBRK rated at BBB- with contractual maturity of 90 days or less	573,275	355,798
Accounts receivable under reverse repurchase agreements with contractual maturity of 90 days and less	42,518	169,171
Time deposits with other banks rated at A- with contractual maturity 90 days or less	43,127	15,067
Time deposits with credit institutions not rated with contractual maturity 90 days or less	1,930	3,276
<b>Cash and cash equivalents before allowance for ECL</b>	<b>870,282</b>	<b>704,044</b>
Allowance for ECL	<b>(8)</b>	<b>(2)</b>
<b>Cash and cash equivalents</b>	<b>870,274</b>	<b>704,042</b>

The external credit ratings are presented by reference to the credit ratings of Standard & Poor's credit rating agency or analogues of similar international agencies.

As at 31 March 2024, cash balances of 115 million tenge with no external rating assigned and allowance for ECL of 1 million tenge are allocated to Stage 2. As at 31 December 2023, cash balances of 3,240 million tenge with no external rating assigned are allocated to Stage 2. The remaining cash is allocated to Stage 1.

As at 31 March 2024, current account balances with other non-rated banks comprise mainly balances of 6,670 million tenge on current accounts with Russian banks (31 December 2023: 6,868 million tenge). Ratings of these banks have been withdrawn by the respective agencies. Prior to the withdrawal, the banks were rated from BB+ to BBB- according to the scale of international rating agencies.

As at 31 March 2024, the Group entered into reverse repurchase agreements at the Kazakhstan Stock Exchange. The subject of these agreements are bonds of the Ministry of Finance of the Republic of Kazakhstan and Kazakhstan Sustainability Fund JSC (hereinafter, "KSF") the fair value of which as at 31 March 2024 is 42,518 million tenge (31 December 2023: bonds of the Ministry of Finance of the Republic of Kazakhstan, KSF, Eurasian Development Bank and Asian Development Bank, with fair value of 168,970 million tenge).

**Minimum reserve requirements**

In accordance with regulations issued by the NBRK, minimum reserve requirements are calculated as a percent of specified liabilities of second-tier banks. Banks are required to comply with these requirements by maintaining average reserve assets (local currency cash and NBRK balances) equal or in excess of the average minimum requirements. As at 31 March 2024, minimum reserve requirements of the Group amount to 48,486 million tenge (31 December 2023: 46,859 million tenge).

**Concentration of cash and cash equivalents**

As at 31 March 2024, the Group has accounts with one bank whose balances exceed 10% of total cash and cash equivalents (31 December 2023: one bank). The total balance on the accounts with the above counterparty as at 31 March 2024 amounts to 629,044 million tenge (31 December 2023: 395,257 million tenge).

*(in millions of tenge)***12 Amounts due from financial institutions**

Amounts due from financial institutions comprise:

	<i>31 March 2024</i> <i>(unaudited)</i>	<i>31 December</i> <i>2023</i>
Current accounts with the NBRK rated BBB-, restricted in use	18,579	9,696
Deposits with the NBRK with up to 90 days or more	23,507	70,846
Deposits with other banks:		
- not rated	628	636
Contingent deposits and deposits pledged as a collateral:		
- rated from AA- to AA+	11,288	11,387
- rated from A- to A+	112	114
- rated from BBB- to BBB+	340	159
- not rated	10,630	9,487
<b>Amounts due from financial institutions before allowance for ECL</b>	<b>65,084</b>	<b>102,325</b>
Allowance for ECL	<b>(705)</b>	<b>(895)</b>
<b>Amounts due from financial institutions</b>	<b>64,379</b>	<b>101,430</b>

The external credit ratings are presented by reference to the credit ratings of Standard & Poor's rating agency or analogues of similar international rating agencies.

Amounts on current accounts with the NBRK restricted in use include funds received by the Bank as part of participation in the state program of lending businesses. As at 31 March 2024 and 31 December 2023, these funds include amounts allocated by Damu Entrepreneurship Development Fund JSC, Development Bank of Kazakhstan JSC, and Industrial Development Fund JSC in favor of the Bank to support entrepreneurship and provide preferential loans to individuals for the purchase of domestically produced passenger vehicles.

As at 31 March 2024 and 31 December 2023, all balances of amounts due from financial institutions are allocated to Stage 1 for ECL measurement purposes.

As at 31 March 2024, deposits with other banks with no external credit rating assigned primarily include contingent deposit on transactions with the provider of payment system services in the amount of 3,570 million tenge (31 December 2023: 3,616 million tenge) and KASE margin collateral in the amount of 7,005 million tenge (31 December 2023: 5,815 million tenge).

As at 31 March 2024 contingent deposits and deposits pledged as collateral include contingent deposits restricted for use on transactions with providers of payment operation services in the amount of 14,835 million tenge (31 December 2023: 14,976 million tenge).

As at 31 March 2024, the Group has amounts due from three financial institutions (31 December 2023: two) whose balances exceed 10% of total due from financial institutions. As at 31 March 2024, the total amount of funds due from these financial institutions is 60,391 million tenge (31 December 2023: 91,902 million tenge).

*(in millions of tenge)***13 Loans to customers**

Loans to customers comprise:

	<i>31 March 2024 (unaudited)</i>				
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
Individually significant loans	598,941	1,145	5,295	2,347	607,728
<b>Total individually significant loans</b>	<b>598,941</b>	<b>1,145</b>	<b>5,295</b>	<b>2,347</b>	<b>607,728</b>
<b>Individually insignificant loans</b>					
Corporate loans	294,458	4,752	14,054	829	314,093
Consumer loans	414,264	17,158	51,277	–	482,699
Car loans	45,958	82	179	–	46,219
Credit cards	3,185	84	1,033	–	4,302
Mortgage loans	19,096	156	1,057	4,879	25,188
Other loans secured by collateral	29,301	561	11,204	9,103	50,169
<b>Total individually insignificant loans</b>	<b>806,262</b>	<b>22,793</b>	<b>78,804</b>	<b>14,811</b>	<b>922,670</b>
<b>Loans to customers before allowance for ECL</b>	<b>1,405,203</b>	<b>23,938</b>	<b>84,099</b>	<b>17,158</b>	<b>1,530,398</b>
Allowance for ECL	(19,170)	(8,770)	(57,077)	(5,248)	(90,265)
<b>Loans to customers</b>	<b>1,386,033</b>	<b>15,168</b>	<b>27,022</b>	<b>11,910</b>	<b>1,440,133</b>
	<i>31 December 2023</i>				
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
Individually significant loans	573,686	1,177	6,252	2,398	583,513
<b>Total individually significant loans</b>	<b>573,686</b>	<b>1,177</b>	<b>6,252</b>	<b>2,398</b>	<b>583,513</b>
<b>Individually insignificant loans</b>					
Corporate loans	276,996	4,842	13,365	1,051	296,254
Consumer loans	417,254	17,248	41,869	1	476,372
Car loans	28,417	45	191	–	28,653
Credit cards	3,095	124	1,029	–	4,248
Mortgage loans	17,534	127	1,185	6,427	25,273
Other loans secured by collateral	29,294	711	11,722	11,723	53,450
<b>Total individually insignificant loans</b>	<b>772,590</b>	<b>23,097</b>	<b>69,361</b>	<b>19,202</b>	<b>884,250</b>
<b>Loans to customers before allowance for ECL</b>	<b>1,346,276</b>	<b>24,274</b>	<b>75,613</b>	<b>21,600</b>	<b>1,467,763</b>
Allowance for ECL	(20,199)	(8,952)	(51,434)	(9,678)	(90,263)
<b>Loans to customers</b>	<b>1,326,077</b>	<b>15,322</b>	<b>24,179</b>	<b>11,922</b>	<b>1,377,500</b>

(in millions of tenge)

### 13 Loans to customers (continued)

#### Key assumptions and judgments used in estimation of expected credit losses

In determining the allowance for expected credit losses, the Group made the following assumptions:

- Applying a liquidity ratio varying from 0 to 0.95 to the revalued value of pledged property depending on the type of collateral.
- The average period of collateral sale is between three (3) and six (6) years depending on the type of collateral according to the Group's historical data.
- Where evidence of a significant increase in credit risk or impairment/default exists for individual assets since the date of initial recognition, the Group estimates the expected credit losses for each customer/group based on probability-weighted estimates of credit losses for various scenarios taking into account operating cash flows and/or cash flows from the sale of collateral.

In determining the allowance for ECL on loans to corporate customers, the Group made the following assumptions:

- PD on loans allocated to Stage 1 ranged from 0.01% to 22.09% depending on the borrower's internal rating according to the renewed rating model.
- LGD on loans allocated to Stage 1 ranged from 17% to 41%.

The Group estimates the allowance for ECL on loans to SMB customers based on its past historical loss experience on these types of loans.

The significant assumptions used by the Group in determining the allowance for ECL on loans, on a collective basis, include:

- The approach used to estimate the probability of default is based on the number of days past due, taking into account the effects of macroeconomic information; the weighted-average 12-month PD by product group allocated to Stage 1 ranged from 0.01% to 22.88%, the weighted-average lifetime PD allocated to Stage 2 ranged from 0.15% to 89.55% depending on the product group of the homogeneous portfolio.
- LGD on loans allocated to Stage 1 varied from 4% to 54%, LGD on loans allocated to Stage 2 was from 4% to 47%.

The Group estimates the allowance for ECL on loans to retail customers based on its past historical loss experience on each type of loan.

The significant assumptions used by the Group in determining the allowance for ECL on loans to retail customers include:

- The approach used to estimate the probability of default is based on the number of days past due, taking into account the effects of macroeconomic information; the weighted-average 12-month PD by product group allocated to Stage 1 ranged from 0.01% to 27.44%, the weighted-average lifetime PD allocated to Stage 2 ranged from 0.21% to 96.43% depending on the product group of the homogeneous retail portfolio.
- LGD on loans allocated to Stages 1 and 2 varied from 28% to 87%.

#### Modified and renegotiated loans

The Group derecognizes a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognized loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCI.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss to the extent that an impairment loss has not already been recorded.

(in millions of tenge)

### 13 Loans to customers (continued)

#### Collateral and other credit enhancements

Individually significant corporate loans are subject to assessment and impairment testing on an individual basis. The creditworthiness of a corporate customer is generally the main indicator of the issued credit quality. However, collateral represents additional guarantees, and the Group generally asks corporate borrowers for its provision.

Guarantees and suretyship from individuals including shareholders of borrowers represented by small and medium-sized businesses are not taken into account in assessing the impairment.

For certain mortgage loans and other loans to individuals, the Group updates the estimated value of collateral at inception of the loan to its current value using automatic revaluation based on analytical price bases based on current information on the real estate market. The Group may also carry out a specific individual valuation of collateral at each reporting date.

The amount and type of collateral required by the Group depends on an assessment of the credit risk of the counterparty, Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

The main types of collateral obtained are as follows:

- For commercial lending, charges over real estate properties, inventory and trade receivables;
- For retail lending, charges over residential properties.

As at 31 March 2024, Stage 3 and POCI loans to customers net of allowance for ECL amount to 38,932 million (as at 31 December 2023: 36,101 million tenge). As at 31 March 2024, total fair value of collateral securing such loans, limited to the gross value of the respective loans, was equal to 47,359 million tenge (31 December 2023: 51,901 million tenge).

#### *Repossessed collateral*

For the three-month period ended 31 March 2024, the Group received a property with the carrying amount of 278 million tenge (three-month period ended 31 March 2023: 216 million tenge) by obtaining control over collateral for loans issued to customers (*Note 15*). The Group's policy assumes sale of these assets as soon as it is practicable.

#### Concentration of loans to customers

As at 31 March 2024, the Group had a concentration of loans represented by 311,167 million tenge due from the ten largest groups of interrelated borrowers or 20.33% of gross loan portfolio (31 December 2023: 321,700 million tenge or 21.92% of gross loan portfolio). Allowance for ECL on these loans is 615 million tenge (31 December 2023: 1,373 million tenge).

*(in millions of tenge)***13 Loans to customers (continued)****Industry and geographical analysis of loans**

Loans were issued primarily to customers located within the Republic of Kazakhstan operating in the following economic sectors:

	<i>31 March 2024</i> <i>(unaudited)</i>	<i>31 December</i> <i>2023</i>
Loans to retail customers	608,577	587,996
Metallurgy	147,139	161,602
Wholesale trading	133,703	133,381
Services provided by small and medium businesses	103,404	96,162
Financial services	87,291	78,902
Transportation	63,708	43,872
Retail services	63,156	61,733
Chemical industry	58,814	60,031
Construction	49,939	39,749
Food industry	46,779	45,177
Real estate activities	44,659	47,078
Post and communication services	17,512	12,315
Agriculture	13,437	13,498
Manufacturing	13,100	10,432
Textile production	8,358	7,117
Metal products manufacturing	5,014	5,194
Oil and gas	2,202	1,456
Other	63,606	62,068
	<b>1,530,398</b>	<b>1,467,763</b>
Allowance for ECL	<b>(90,265)</b>	<b>(90,263)</b>
	<b>1,440,133</b>	<b>1,377,500</b>

**Finance lease receivables**

As at 31 March 2024 and 31 December 2023 loans to customers include finance lease receivables of 19,878 million tenge and 16,698 million tenge, respectively.

	<i>31 March 2024</i> <i>(unaudited)</i>	<i>31 December</i> <i>2023</i>
Minimum lease payments receivable	25,105	21,193
Unearned finance income	(4,858)	(4,107)
<b>Net minimum lease payments receivable</b>	<b>20,247</b>	<b>17,086</b>
Less: ECL allowance	(369)	(388)
<b>Net investment in finance leases</b>	<b>19,878</b>	<b>16,698</b>
Current portion of minimum lease payments	15,430	13,217
Current portion of unearned finance income	(3,586)	(3,029)
<b>Current portion of net minimum lease payments receivable</b>	<b>11,844</b>	<b>10,188</b>
Non-current portion of minimum lease payments	9,675	7,976
Non-current portion of unearned finance income	(1,272)	(1,078)
<b>Non-current portion of net minimum lease payments receivable</b>	<b>8,403</b>	<b>6,898</b>
<b>Net minimum lease payments receivable</b>	<b>20,247</b>	<b>17,086</b>

*(in millions of tenge)***13 Loans to customers (continued)****Finance lease receivables (continued)**

The analysis of finance lease receivables at 31 March 2024 and 31 December 2023, is as follows:

<i>At 31 March 2024</i>	<i>Up to 1</i>	<i>1 to 2</i>	<i>2 to 3</i>	<i>3 to 4</i>	<i>Total</i>
	<i>year</i>	<i>years</i>	<i>years</i>	<i>years</i>	
Minimum lease payments receivable (unaudited)	15,430	7,936	1,693	46	25,105
Unearned finance income (unaudited)	(3,586)	(1,236)	(36)	–	(4,858)
<b>Net minimum lease payments receivable (unaudited)</b>	<b>11,844</b>	<b>6,700</b>	<b>1,657</b>	<b>46</b>	<b>20,247</b>
<i>At 31 December 2023</i>	<i>Up to 1</i>	<i>1 to 2</i>	<i>2 to 3</i>	<i>3 to 4</i>	<i>Total</i>
	<i>year</i>	<i>years</i>	<i>years</i>	<i>years</i>	
Minimum lease payments receivable	13,217	6,564	1,334	78	21,193
Unearned finance income	(3,029)	(930)	(144)	(4)	(4,107)
<b>Net minimum lease payments receivable</b>	<b>10,188</b>	<b>5,634</b>	<b>1,190</b>	<b>74</b>	<b>17,086</b>

**14 Investment securities**

Investment securities including those pledged under repurchase agreements comprise:

	<i>31 March 2024</i>	<i>31 December</i>
	<i>(unaudited)</i>	<i>2023</i>
<b>Debt investment securities at amortized cost</b>		
<b>Government bonds</b>		
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan rated BBB-	28,567	29,166
Bonds of foreign countries rated at BB- to BB+	908	913
<b>Total government bonds</b>	<b>29,475</b>	<b>30,079</b>
<b>Corporate bonds</b>		
Rated from BBB- to BBB+	175,065	174,550
Rated from BB- to BB+	85,908	84,228
<b>Total corporate bonds</b>	<b>260,973</b>	<b>258,778</b>
<b>Investment securities measured at amortized cost before ECL allowance</b>	<b>290,448</b>	<b>288,857</b>
Allowance for ECL	(167)	(162)
<b>Investment securities measured at amortized cost</b>	<b>290,281</b>	<b>288,695</b>

*(in millions of tenge)***14 Investment securities (continued)**

	<i>31 March 2024</i> <i>(unaudited)</i>	<i>31 December</i> <i>2023</i>
<b>Debt securities at FVOCI</b>		
<b>Government bonds</b>		
Treasury bills of the United States of America rated AA+	13,537	13,610
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan rated BBB-	704,739	543,583
<b>Total government bonds</b>	<b>718,276</b>	<b>557,193</b>
<b>Corporate bonds</b>		
Rated from BBB- to BBB+	40,152	67,206
Rated from BB- to BB+	22,233	22,658
Rated from B- to B+	2,032	2,027
<b>Total corporate bonds</b>	<b>64,417</b>	<b>91,891</b>
<b>Bonds of banks</b>		
Rated from BBB- to BBB+	15,583	12,131
Rated from BB- to BB+	3,024	3,120
Not rated	306	285
<b>Total bonds of banks</b>	<b>18,913</b>	<b>15,536</b>
<b>Investments in equity instruments</b>		
Corporate shares	356	339
<b>Total investments in equity instruments</b>	<b>356</b>	<b>339</b>
<b>Investment securities measured at FVOCI</b>	<b>801,962</b>	<b>664,959</b>

The external credit ratings are presented by reference to the credit ratings of Standard and Poor's credit rating agency or analogues of similar international agencies.

As at 31 March 2024, investment securities measured at FVOCI, represented by treasury bonds of the Ministry of Finance of the Republic of Kazakhstan, with a total fair value of 294,307 million tenge, were pledged under the repurchase agreements entered into at the KASE.

As at 31 December 2023, investment securities measured at FVOCI, represented by treasury bonds of the Ministry of Finance of the Republic of Kazakhstan and Kazakhstan Sustainability Fund JSC, with a fair value of 164,168 million tenge, were pledged under the repurchase agreements entered into at the KASE.

In 2018 and 2019, the Group acquired bonds of NAC Kazatomprom JSC, Sovereign Wealth Fund Samruk-Kazyna JSC and Kazakhstan Temir Zholy JSC classified as investment securities at amortized cost. As at 31 March 2024, the total carrying amount of these bonds was 240,234 million tenge (31 December 2023: 237,841 million tenge).

The Group's debt securities issued held by SWF Samruk-Kazyna JSC (*Note 19*), with a total nominal value of 220,000 million tenge, serve as collateral for liabilities to the Group on the above-mentioned bonds.



*(in millions of tenge)***15 Other assets and other liabilities**

Other assets comprise:

	<i>31 March 2024</i> <i>(unaudited)</i>	<i>31 December</i> <i>2023</i>
Accounts receivable for sale of pledged property	7,770	7,788
Accounts receivable on commission income	1,457	1,348
Receivables under government programs for support of specific population segments	1,285	1,470
Other accounts receivable from bank activities	2,053	2,368
	<u>12,565</u>	<u>12,974</u>
Allowance for ECL	<u>(3,120)</u>	<u>(3,084)</u>
<b>Other financial assets</b>	<u>9,445</u>	<u>9,890</u>
Repossessed collateral	19,246	19,864
Prepayments and other receivables	7,739	6,014
Prepaid taxes other than corporate income tax	3,754	2,690
Investment property	1,566	1,572
Inventories held for sale	816	745
Other inventories	551	195
Other	294	2,048
	<u>33,966</u>	<u>33,128</u>
Impairment allowance	<u>(18)</u>	<u>(17)</u>
<b>Other non-financial assets</b>	<u>33,948</u>	<u>33,111</u>
<b>Total other assets</b>	<u>43,393</u>	<u>43,001</u>

During the three-month period ended 31 March 2024, the Group took possession of collaterals with a total value of 278 million tenge (three-month period ended 31 March 2023: 216 million tenge). Even though the Group is currently working actively to dispose repossessed collateral held for sale, most of them have not been sold within short period of time. Management still intends to sell the repossessed collateral.

Other liabilities comprise:

	<i>31 March 2024</i> <i>(unaudited)</i>	<i>31 December</i> <i>2023</i>
Deferred income from government economic support programs	11,897	7,402
Payables on payment system services and interbank payments	10,152	10,572
Accrued expenses for employee benefits	9,391	6,561
Payables on non-banking activities	3,478	1,931
Lease liabilities	2,047	1,615
Obligations to pay mandatory contributions to the KDIF	265	276
Allowance for ECL for credit related commitments ( <i>Note 24</i> )	1,039	1,092
Other	3,857	3,644
<b>Other financial liabilities</b>	<u>42,126</u>	<u>33,093</u>
Taxes payable other than corporate income tax	2,400	2,201
Corporate income tax payable	1,103	-
Other	927	772
<b>Other non-financial liabilities</b>	<u>4,430</u>	<u>2,973</u>
<b>Total other liabilities</b>	<u>46,556</u>	<u>36,066</u>

*(in millions of tenge)***16 Current accounts and deposits of customers**

Current accounts and deposits of customers comprise:

	<i>31 March 2024</i> <i>(unaudited)</i>	<i>31 December</i> <i>2023</i>
<b>Current accounts and demand deposits</b>		
- Retail customers	118,856	145,682
- Corporate customers	526,744	560,584
<b>Term deposits</b>		
- Retail customers	703,525	701,834
- Corporate customers	926,576	747,627
<b>Guarantee deposits</b>		
- Retail customers	33,201	34,721
- Corporate customers	77,387	70,575
	<b>2,386,289</b>	<b>2,261,023</b>
<b>Held as security against letters of credit and guarantees (Note 23)</b>	<b>(1,306)</b>	<b>(452)</b>

**Concentration of current accounts and deposits of customers**

As at 31 March 2024, total amount of account balances of top 10 clients amounted to 319,998 million tenge or 13.41% of total current accounts and deposits of customers (31 December 2023: 277,877 million tenge or 12.29%).

As at 31 March 2024, the Group's outstanding balance of accounts and deposits of individuals and individual entrepreneurs amounted to 351,226 million tenge (31 December 2023: 363,224 million tenge) with limited KDIF insurance coverage on behalf of the Government of the Republic of Kazakhstan.

In accordance with the Civil Code of the Republic of Kazakhstan, the Bank is obliged to repay the deposit upon demand of a depositor. In case a term deposit is repaid upon demand of the depositor prior to maturity, interest is not paid or paid at considerably lower interest rate depending on the terms specified in the agreement. The Bank is obligated to repay term and/or conditional deposits or a part thereof within seven calendar days from the date of receipt of the depositor's demand on repayment, and saving deposits – within thirty calendar days from the date of the depositor's demand.

**17 Amounts due to banks and other financial institutions**

Amounts due to banks and other financial organizations comprise:

	<i>31 March 2024</i> <i>(unaudited)</i>	<i>31 December</i> <i>2023</i>
Loans from governmental organizations	63,350	54,549
Liabilities due to Kazakhstan Sustainability Fund JSC	14,075	13,835
	<b>77,425</b>	<b>68,384</b>

As at 31 March 2024, loans from public institutions included loans received from Damu Entrepreneurship Development Fund JSC, Development Bank of Kazakhstan JSC and Industrial Development Fund JSC in the amount of 41,352 million tenge, 10,480 million tenge and 11,494 million tenge, respectively (31 December 2023: Damu Entrepreneurship Development Fund JSC, Development Bank of Kazakhstan JSC and Industrial Development Fund JSC in the amount of 41,064 million tenge, 7,705 million tenge and 5,748 million tenge, respectively), as part of the state program to support small and medium-sized businesses by the banking sector and the state program of preferential lending to individuals to purchase passenger vehicles of domestic manufacturers.

The loan received from Industrial Development Fund JSC in May 2022 with maturity in the end of 2052, in the amount of 15,000 million tenge was recognized at fair value using a market rate of 14.12% per annum. In March 2024 the Bank and Industrial Development Fund JSC reconsidered the terms of the loan, the maturity date of which is set until mid-2030. The renegotiation of terms resulted in significant modification of the financial liability, which is accounted for as the derecognition of initial financial liability and the recognition of a new financial liability, which was recognized at a fair value using market rate of 16.62% per annum. As a result of this significant modification of the contractual terms, the Group recognized loss in the amount of KZT 3,593 million, as well as the derecognition of the related deferred income in the form of a government grant in the interim condensed consolidated statement of comprehensive income.

*(in millions of tenge)***17 Amounts due to banks and other financial institutions (continued)**

During the three-month period ending March 31, 2024, the Bank and the Development Bank of Kazakhstan JSC entered into agreements on additional attraction of loans in the amount of 9,000 million tenge at a nominal rate of 2.0% as part of the state program to support small and medium-sized businesses by the banking sector. Loans were recognized at fair value at a market rate of 16.90% per annum. As a result, the Bank recognized a discount on these loans in the amount of 6,462 million tenge and deferred income from government subsidies as part of other liabilities in the same amount.

As at 31 March 2024, liabilities to Kazakhstan Sustainability Fund JSC include deposits in the amount of 11,485 million tenge (31 December 2023: 11,265 million tenge) as part of the governmental program for refinancing of mortgage and housing loans to customers. In 2020, this program was changed in terms of providing additional aid to mortgage borrowers belonging to the category of socially vulnerable segments of the population, as well as unilateral conversion of foreign currency mortgage loans into tenge. Deposits are denominated in tenge, have nominal interest rates from 0.10% to 2.99% per annum and mature in 2038-2050. At initial recognition the fair value of was determined by the Group using a market rate of 13.53% per annum.

The Group had no defaults and other breaches of repayment schedules and the terms of raising funds from banks and other credit institutions, related to principal and interest on the principal amount outstanding, as at 31 March 2024 and 31 December 2023.

**18 Accounts payable under repurchase agreements**

As of March 31, 2024, the Group has accounts payable under repurchase agreements in the amount of 294,566 million tenge, for which investment securities with a total fair value of 294,307 million tenge act as collateral (treasury bonds of the Ministry of Finance of the Republic of Kazakhstan) (*Note 14*).

As of December 31, 2023, the Group has accounts payable under repurchase agreements in the amount of 163,523 million tenge, for which investment securities with a total fair value of 164,168 million tenge (treasury bonds of the Ministry of Finance of the Republic of Kazakhstan, Kazakhstan Sustainability Fund JSC) act as collateral stability (*Note 14*).

**19 Debt securities issued**

Debt securities issued comprise:

	<i>Maturity year</i>	<i>Coupon rate</i>	<i>31 March 2024 (unaudited)</i>	<i>31 December 2023</i>
<b>Bonds in US dollars</b>				
Bonds issued in 2022	2025	2.60%	<b>2,453</b>	2,480
Bonds issued in 2023	2025	4.00%	<b>11,514</b>	11,416
			<b>13,967</b>	13,896
<b>Bonds in tenge</b>				
Bonds issued in 2018	2024	4.00%	<b>208,966</b>	202,762
Bonds issued in 2015	2025	10.13%	<b>49,550</b>	50,592
			<b>258,516</b>	253,354
			<b>272,483</b>	267,250

As at 31 March 2024, the total nominal value of outstanding bonds issued under this bond program with a limit of up to 200,000 thousand US dollars and a maturity date of August 8, 2025 and interest rate of 2.60% per annum amounted to 5,400 thousand US dollars (equivalent in tenge - 2,413 million tenge). As at 31 December 2023, the total nominal value of outstanding bonds issued under this bond program amounted to 5,400 thousand US dollars (equivalent in tenge - 2,455 million tenge).

*(in millions of tenge)***19 Debt securities issued (continued)**

In September 2023, the Bank carried out the second issue of bonds on the AIFC Exchange (AIX) under this bond program with a maturity date of September 6, 2025 and an interest rate of 4% per annum. The total amount of bonds issued and authorized for issue is 50,000 thousand US dollars. The face value of the bond is 100 thousand US dollars. As of March 31, 2024, the total nominal value of the outstanding bonds issued under this bond program amounted to 25,200 thousand US dollars (the equivalent in tenge is 11,259 million tenge). As of December 31, 2023, the total nominal value of the outstanding bonds issued under this bond program amounted to 24,800 thousand US dollars (the equivalent in tenge is 11,273 million tenge).

In September 2018, the Bank issued debt securities with a total nominal value of 220,000 million tenge with a coupon rate of 4% per annum and maturity in 2024. The securities were acquired by Sovereign Wealth Fund Samruk-Kazyna JSC in exchange for 220,000 million tenge deposit placed with the Bank on similar terms.

In July 2015, the Bank issued debt securities with a total nominal value of 49,959 million tenge, with a coupon rate of 10.13% per annum and maturity in 2025.

The Group had no defaults and other breaches of repayment schedules and the terms for issue of bonds, related to principal and interest on the principal amount outstanding, as at 31 March 2024 and 31 December 2023.

**20 Subordinated debt**

As at 31 March 2024 and 31 December 2023, subordinated debt includes tenge denominated subordinated debt securities issued maturing in 2025-2031 and a fixed coupon rate of 8% per annum. The coupon is paid every six months. During the three-month period of 2023, the Bank redeemed subordinated debt securities issued in the amount of 2,313 million tenge.

The Group had no defaults and other breaches of repayment schedules and the terms for issue of subordinated debt, related to principal and interest on the principal amount outstanding, as at 31 March 2024 and 31 December 2023.

**21 Share capital**

The number of authorized, placed and outstanding ordinary shares and share capital as at 31 March 2024 and 31 December 2023 are as follows:

	<i>31 March 2024</i> <i>(unaudited)</i>	<i>31 December</i> <i>2023</i>
<b>Ordinary shares</b>		
Number of authorized shares	150,003,000,000	150,003,000,000
Number of issued shares	92,387,104,089	92,387,104,089
Number of repurchased shares	(1,934,434,197)	(1,934,434,197)
Number of outstanding shares	90,452,669,892	90,452,669,892
<b>Total share capital, millions of tenge</b>	<b>329,350</b>	<b>329,350</b>

During the three months ended 31 March 2024 and 31 March 2023 the Bank did not declare and pay dividends.

**22 Earnings per share**

The following reflects the net profit and share information used in the basic and diluted earnings per share computations:

	<i>For the three-month period ended 31</i> <i>March</i>	
	<i>2024</i> <i>(unaudited)</i>	<i>2023</i> <i>(unaudited)</i>
Net profit attributable to shareholders of the Bank	34,571	27,975
Weighted average number of ordinary shares	90,452,669,892	90,452,669,892
Basic and diluted earnings per ordinary share in tenge	0.38	0.31

As at 31 March 2024 and 31 March 2023, the Bank did not have any financial instruments diluting earnings per share.

*(in millions of tenge)*

## 23 Capital management

The Bank maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Bank's capital is monitored using, among other measures, the norms established by the NBRK in supervising the Bank.

As at 31 March 2024 and 31 December 2023, the Bank had complied in full with all its externally imposed capital requirements.

The primary objectives of the Bank's capital management are to ensure that the Bank complies with externally imposed capital requirements and that the Bank maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders' value.

The Bank manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities.

The NBRK sets and monitors capital requirements for the Bank.

In accordance with the requirements set by the NBRK and effective from 1 January 2024, banks have to maintain:

- A ratio of core capital to the sum of credit risk weighted assets and contingent liabilities, market risk and a quantitative measure of operating risk weighted assets and contingent liabilities (k1) in the value not less than 8%;
- A ratio of tier 1 capital less investments to the sum of credit risk-weighted assets and contingent liabilities, market risk and a quantitative measure of operational risk weighted assets, contingent assets and liabilities (k1-2) of not less than 9%;
- A ratio of own capital to the sum of credit risk weighted assets and contingent liabilities, market risk and a quantitative measure of operating risk weighted assets and contingent liabilities (k2) in the value not less than 10.5%.

Investments for the purposes of calculation of the above ratios represent investments into share capital (participation in the charter capital) of a legal entity and subordinated debt of a legal entity if their total exceeds 10% of the total of tier 1 and tier 2 capital of the Bank.

The following table shows the composition of the Bank's capital position calculated in accordance with the NBRK requirements as at 31 March 2024 and 31 December 2023:

	<i>31 March 2024</i> <i>(unaudited)</i>	<i>31 December</i> <i>2023</i>
Tier 1 capital	449,005	406,750
Tier 2 capital	8,145	8,145
<b>Total equity</b>	<b>457,150</b>	<b>414,895</b>
<b>Total risk-weighted statutory assets, contingent liabilities, operational and market risk</b>	<b>2,119,883</b>	<b>1,953,598</b>
Ratio k1	21.2%	20.8%
Ratio k1-2	21.2%	20.8%
Ratio k2	21.6%	21.2%

## 24 Commitments and contingencies

### Political and economic environment

Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of Kazakhstan economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the Government.

The management of the Bank believes that it is taking appropriate measures to support the sustainability of the Bank's business in the current circumstances.

*(in millions of tenge)***24 Commitments and contingencies (continued)****Credit related commitments**

The Group has contingent liabilities to provide credit resources. These credit related commitments take the form of approved loans and credit card limits and overdraft facilities.

The Group provides bank guarantees and issues letters of credit to ensure that their customers' obligations to third parties are met. These agreements have fixed limits and generally extend for a period of up to five years. In providing financial guarantees, credit related commitments and letters of credit, the Group applies the same risk management policies and procedures used when issuing loans to customers.

The contractual amounts of credit related commitments are set out in the following table by category.

	<i>31 March 2024</i> <i>(unaudited)</i>	<i>31 December</i> <i>2023</i>
Credit related commitments	444,452	503,298
Guarantees issued	131,338	105,329
Letters of credit	3,576	1,745
	<b>579,366</b>	610,372
Less: current accounts and deposits of customers, held as collateral under letters of credit and guarantees (Note 16)	(1,306)	(452)
Less: allowance for ECL (Note 15)	(1,039)	(1,092)
	<b>577,021</b>	608,828

The loan commitment agreements stipulate the right of the Group to unilaterally withdraw from the agreement should any conditions unfavorable to the Group arise, including deterioration of the borrower's financial condition, change of the refinancing rate, inflation, exchange rates and other conditions.

The total outstanding contractual amount of commitments on issuance of loans, letters of credit and guarantees does not necessarily represent future cash requirements, as these commitments may expire or terminate without being funded.

**Legal proceedings**

In the ordinary course of business, the Group is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints, will not have a material adverse effect on the financial conditions of the results of future operations of the Group.

Management is unaware of any significant actual, pending or threatened claims against the Group.

**Contingent tax liabilities**

The taxation system in the Republic of Kazakhstan is relatively new and is characterized by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. The adequacy of tax assessment in the reporting period may be reviewed during the next five calendar years. However, under certain circumstances a tax year may remain open for a longer period of time. These circumstances may create tax risks in the Republic of Kazakhstan that are substantially more significant than in other countries. Management believes that it has provided adequately for tax liabilities in these interim condensed consolidated financial statements based on its interpretations of applicable Kazakhstan tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these interim condensed consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

*(in millions of tenge)***25 Related party transactions****Remuneration of members of the Board of Directors and the Management Board**

Total remuneration to 11 members of the Management Board and Board of Directors included in general and administrative expenses for the three-month and three-month periods ended 31 March 2024 and 2023 is as follows:

	<i>For the three-month period ended</i>	
	<i>31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Members of the Board of Directors and Management Board	<b>937</b>	1,236
	<b>937</b>	1,236

These amounts include cash benefits in respect of the members of the Board of Directors and the Management Board and related taxes.

As of March 31, 2024, the total amount of the Bank's obligations to pay remuneration to members of the Board of Directors and the Management Board amounted to KZT 4,311 million (December 31, 2023: KZT 3,752 million).

**Transactions with other related parties**

Other related parties in the table below include key management personnel and entities jointly controlled by key management personnel. The outstanding balances and the average effective interest rates as at 31 March 2024 and related profit or loss for the three-month ended 31 March 2024 from transactions with related parties are as follows:

	<i>31 March 2024 (unaudited)</i>						
	<i>Shareholders</i>		<i>Entities under common control</i>		<i>Other related parties</i>		<i>Total</i>
	<i>Average annual effective interest rate, (%)</i>	<i>Average annual effective interest rate, (%)</i>	<i>Average annual effective interest rate, (%)</i>	<i>Average annual effective interest rate, (%)</i>	<i>Average annual effective interest rate, (%)</i>		
<i>In millions of tenge</i>	<i>In millions of tenge</i>	<i>In millions of tenge</i>	<i>In millions of tenge</i>	<i>In millions of tenge</i>	<i>In millions of tenge</i>		
<b>Assets</b>							
Loans to customers	–	–	–	–	20,121	14.82	20,121
Other assets	–	–	83	–	85	–	168
<b>Liabilities</b>							
Current accounts and deposits of customers	4,271	1.00	26,990	9.15	20,726	10.45	51,987
Other liabilities	–	–	99	–	68	–	167
Contingent liabilities	–	–	–	–	19,882	–	19,882
Guarantee issued	–	–	–	–	7,682	–	7,682

	<i>For the three-month period ended 31 March 2024 (unaudited)</i>					
	<i>Shareholders</i>		<i>Entities under common control</i>		<i>Other related parties</i>	<i>Total</i>
	<i>Income/(expenses)</i>	<i>Income/(expenses)</i>	<i>Income/(expenses)</i>	<i>Income/(expenses)</i>		
Interest revenue	–	–	–	–	654	654
Interest expense	–	(14)	–	(609)	(310)	(933)
General and administrative expenses	–	–	–	(2,184)	(125)	(2,309)
Fee and commission income	–	1	–	15	22	38
Fee and commission expense	–	–	–	(8)	–	(8)
Other income	–	–	–	–	147	147
Other expenses	–	–	–	–	(93)	(93)

*(in millions of tenge)***25 Related party transactions (continued)****Transactions with other related parties (continued)**

As at 31 December 2023, the outstanding balances and the average effective interest rates and related profit or loss for the three-month period ended 31 March 2023 from transactions with related parties are as follows:

	31 December 2023						Total In millions of tenge
	Shareholders		Entities under common control		Other related parties		
	Average effective interest rate, (%)		Average effective interest rate, (%)		Average effective interest rate, (%)		
	In millions of tenge	In millions of tenge	In millions of tenge	In millions of tenge	In millions of tenge	In millions of tenge	
<b>Assets</b>							
Loans to customers	–	–	–	–	14,870	13.92	14,870
Other assets	–	–	83	–	93	–	176
<b>Liabilities</b>							
Current accounts and deposits of customers	5,792	1	49,917	9	15,844	5	71,553
Other liabilities	–	–	69	–	86	–	155
Contingent liabilities	–	–	–	–	27,950	–	27,950
Guarantee issued	–	–	–	–	7,688	–	7,688

	Fr the three-month period ended 31 March 2023 (unaudited)						Total
	Shareholders		Entities under common control		Other related parties		
<b>Income/( expenses)</b>							
Interest revenue			–	–	62		62
Interest expense			(28)	(397)	(79)		(504)
General and administrative expenses			–	(743)	(11)		(754)
Fee and commission income			–	3	1		4
Fee and commission expense			–	(121)	–		(121)
Other expenses			–	(26)	–		(26)

**26 Segment information**

The Group has five reporting segments and business lines (“Other” segment is indicated separately with description of transactions, which are not related to activities of business lines). These segments/business lines offer a variety of products and services in the financial/banking area. The following is a brief description of transactions of each segment.

- Corporate business (CB) – includes issuance of loans, attracting deposits, settlement and cash services, transactions on guarantees and other transactions with corporate clients (large entities and individual entrepreneurs);
- Small and medium businesses (SMB) – includes issuance of loans, attracting deposits, settlement and cash services, transactions on guarantees and other transactions with small and medium business clients (legal entities and individual entrepreneurs);
- Retail banking (RB) – includes issuance of loans, attracting deposits, settlement and cash services, exchange transactions and other transactions with retail clients (individuals);
- Investing activities – responsible for financing the Group’s operations (repo operations, raising funds from banks and financial organizations, issuance of bonds, subordinated debt), securities transactions, use of derivative financial instruments and related foreign currency transactions;
- Other - other transactions with debtors/creditors, fixed assets, amounts on transit accounts and other transactions that are not related to segments/business lines (CB, SMB, RB, Investment activities).

Performance of each reportable segment is presented below. Performance results of segment/business line are evaluated on the basis of derived profit, which includes the effective management of a portfolio of borrowed and placed funds. Profit from segment/business line is used to measure performance. Pricing is performed on the basis of borrowing/placement rates approved by the authorized body of the Bank.



*(in millions of tenge)***26 Segment information (continued)**

	<i>31 March 2024 (unaudited)</i>					<i>Total</i>
	<i>CB</i>	<i>SMB</i>	<i>RB</i>	<i>Investing activities</i>	<i>Other</i>	
<b>Assets</b>						
Cash and cash equivalents	429	22,841	25,495	658,702	162,807	870,274
Amounts due from financial institutions	11,943	3,042	490	45,800	3,104	64,379
Securities measured at fair value through profit or loss	–	–	–	2,542	–	2,542
Loans to customers	467,550	431,576	528,082	–	12,925	1,440,133
Investment securities	–	–	–	1,092,243	–	1,092,243
Property, plant and equipment	–	–	–	–	56,034	56,034
Intangible assets	–	–	–	–	16,261	16,261
Other assets	48	523	485	75	42,262	43,393
<b>Total assets</b>	<b>479,970</b>	<b>457,982</b>	<b>554,552</b>	<b>1,799,362</b>	<b>293,393</b>	<b>3,585,259</b>
<b>Liabilities</b>						
Current accounts and deposits of customers	795,228	731,398	859,662	–	1	2,386,289
Amounts due to banks and other financial institutions	14,335	34,562	17,253	175	11,100	77,425
Amounts payable under repurchase agreements	–	–	–	294,566	–	294,566
Debt securities issued	–	–	13,967	208,966	49,550	272,483
Deferred tax liabilities	–	–	–	–	13,361	13,361
Subordinated debt	–	–	–	–	14,647	14,647
Other liabilities	15	374	10,258	7	35,902	46,556
<b>Total liabilities</b>	<b>809,578</b>	<b>766,334</b>	<b>901,140</b>	<b>503,714</b>	<b>124,561</b>	<b>3,105,327</b>
<b>Equity</b>						
Share capital	–	–	–	–	332,815	332,815
Additional paid-in capital	–	–	–	–	(3,465)	(3,465)
Treasury shares	–	–	–	–	23,651	23,651
Fair value reserve	–	–	–	–	9,509	9,509
Accumulated losses	–	–	–	–	117,422	117,422
<b>Total equity attributable to shareholders of the Bank</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>479,932</b>	<b>479,932</b>

*(in millions of tenge)***26 Segment information (continued)**

	<i>31 December 2023</i>					<i>Total</i>
	<i>CB</i>	<i>SMB</i>	<i>RB</i>	<i>Investing activities</i>	<i>Other</i>	
<b>Assets</b>						
Cash and cash equivalents	302	19,345	45,985	540,041	98,369	704,042
Amounts due from financial institutions	3,588	3,238	337	91,734	2,533	101,430
Securities measured at fair value through profit or loss	–	–	–	3,016	–	3,016
Loans to customers	433,257	416,983	510,484	–	16,776	1,377,500
Investment securities	–	–	–	953,654	–	953,654
Property and equipment	–	–	–	–	56,665	56,665
Intangible assets	–	–	–	–	13,867	13,867
Other assets	66	461	959	81	41,434	43,001
<b>Total assets</b>	<b>437,213</b>	<b>440,027</b>	<b>557,765</b>	<b>1,588,526</b>	<b>229,644</b>	<b>3,253,175</b>
<b>Liabilities</b>						
Current accounts and deposits from customers	691,613	683,011	886,366	–	33	2,261,023
Amounts due to banks and other financial institutions	11,452	32,229	13,432	55	11,216	68,384
Amounts payable under repurchase agreements	–	–	–	163,523	–	163,523
Debt securities issued	–	–	14,480	202,762	50,008	267,250
Subordinated debt	–	–	–	–	14,389	14,389
Deferred tax liabilities	–	–	–	–	12,732	12,732
Other liabilities	15	220	10,344	9	25,478	36,066
<b>Total liabilities</b>	<b>703,080</b>	<b>715,460</b>	<b>924,622</b>	<b>366,349</b>	<b>113,856</b>	<b>2,823,367</b>
<b>Equity</b>						
Share capital	–	–	–	–	332,815	332,815
Additional paid-in capital	–	–	–	–	23,651	23,651
Treasury shares	–	–	–	–	(3,465)	(3,465)
Fair value reserve	–	–	–	–	(6,044)	(6,044)
Accumulated losses	–	–	–	–	82,851	82,851
<b>Total equity attributable to shareholders of the Bank</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>429,808</b>	<b>429,808</b>

*(in millions of tenge)***26 Segment information (continued)**

Information on the main reporting segments for the three-month period ended 31 March 2024 and 2023 is presented as follows:

	<i>For the three-month period ended 31 March 2024 (unaudited)</i>						<i>Total</i>
	<i>CB</i>	<i>SMB</i>	<i>RB</i>	<i>Investing activities</i>	<i>Other</i>	<i>Elimination</i>	
Interest income	14,536	19,394	36,373	45,886	1,860	–	118,049
Transfer income	20,007	19,273	23,407	13,487	84,568	(160,742)	–
Interest expense	(16,828)	(9,737)	(17,710)	(13,249)	(2,285)	–	(59,809)
Transfer expenses	(10,153)	(12,169)	(15,215)	(45,663)	(83,490)	166,690	–
<b>Net interest income</b>	<b>7,562</b>	<b>16,761</b>	<b>26,855</b>	<b>461</b>	<b>653</b>	<b>5,948</b>	<b>58,240</b>
Fee and commission income	536	4,667	2,815	12	38	–	8,068
Fee and commission expense	(162)	(1,368)	(1,703)	(69)	(5)	–	(3,307)
Net loss on financial instruments at fair value through profit or loss	–	–	–	(216)	–	–	(216)
Net gain from derecognition of investment securities measured at fair value through other comprehensive income	–	–	–	15	–	–	15
Net gains from foreign currencies	1,259	3,360	1,118	692	–	–	6,429
Other (expense)/income	(1)	30	105	3	442	–	579
<b>Non-interest income</b>	<b>1,632</b>	<b>6,689</b>	<b>2,335</b>	<b>437</b>	<b>475</b>	<b>–</b>	<b>11,568</b>
Reversal of allowances on expected credit loss/Credit loss expense	886	1,214	(6,442)	(266)	487	–	(4,121)
Net loss on derecognition of financial assets measured at amortized cost	–	–	(15)	–	(211)	–	(226)
Net loss on derecognition of financial liability as a result of modification	–	–	(3,593)	–	–	–	(3,593)
General and administrative expenses	(1,217)	(6,061)	(9,622)	(435)	(4,535)	–	(21,870)
Other (expenses)/income	(144)	256	(574)	(28)	(612)	–	(1,102)
<b>Non-interest expense</b>	<b>(475)</b>	<b>(4,591)</b>	<b>(20,246)</b>	<b>(729)</b>	<b>(4,871)</b>	<b>–</b>	<b>(30,912)</b>
<b>Other transfer income and expenses</b>	<b>133</b>	<b>(745)</b>	<b>(112)</b>	<b>7,740</b>	<b>(1,068)</b>	<b>(5,948)</b>	<b>–</b>
<b>Profit/(loss) before corporate income tax expense</b>	<b>8,852</b>	<b>18,114</b>	<b>8,832</b>	<b>7,909</b>	<b>(4,811)</b>	<b>–</b>	<b>38,896</b>
Corporate income tax expense	(876)	(1,792)	(874)	(783)	–	–	(4,325)
<b>Profit/(loss) for the period</b>	<b>7,976</b>	<b>16,322</b>	<b>7,958</b>	<b>7,126</b>	<b>(4,811)</b>	<b>–</b>	<b>34,571</b>

*(in millions of tenge)***26 Segment information (continued)**

	<i>For the three-month period ended 31 March 2023 (unaudited)</i>						<i>Total</i>
	<i>CB</i>	<i>SMB</i>	<i>RB</i>	<i>Investing activities</i>	<i>Other</i>	<i>Elimination</i>	
Interest income	9,958	13,878	28,469	28,638	1,664	–	82,607
Transfer income	15,500	15,465	15,333	12,645	4,317	(63,260)	–
Interest expense	(11,373)	(6,250)	(10,985)	(10,128)	(2,089)	–	(40,825)
Transfer expenses	(7,190)	(8,726)	(11,279)	(27,736)	(421)	55,352	–
<b>Net interest income</b>	<b>6,895</b>	<b>14,367</b>	<b>21,538</b>	<b>3,419</b>	<b>3,471</b>	<b>(7,908)</b>	<b>41,782</b>
Fee and commission income	704	4,676	2,963	9	29	–	8,381
Fee and commission expense	(355)	(1,389)	(1,665)	(39)	(8)	–	(3,456)
Net loss on financial instruments at fair value through profit or loss	–	–	–	(71)	–	–	(71)
Net gain on derecognition of investment securities measured at fair value through other comprehensive income	–	–	–	677	–	–	677
Net gains from foreign currencies	2,017	4,591	1,212	1,233	209	–	9,262
Other income/(expense)	97	42	(23)	–	1,173	–	1,289
<b>Non-interest income</b>	<b>2,463</b>	<b>7,920</b>	<b>2,487</b>	<b>1,809</b>	<b>1,403</b>	<b>–</b>	<b>16,082</b>
Credit loss expense	(214)	(225)	(11,026)	(433)	167	–	(11,731)
Net loss on derecognition of financial assets measured at amortized cost	–	–	(647)	–	(243)	–	(890)
General and administrative expenses	(1,097)	(4,630)	(7,224)	(1,164)	(2,234)	–	(16,349)
Other (expenses)/income	6	(155)	(1,191)	(25)	(361)	–	(1,726)
<b>Non-interest expense</b>	<b>(1,305)</b>	<b>(5,010)</b>	<b>(20,088)</b>	<b>(1,622)</b>	<b>(2,671)</b>	<b>–</b>	<b>(30,696)</b>
<b>Other transfer income and expenses</b>	<b>104</b>	<b>(397)</b>	<b>(230)</b>	<b>(2,165)</b>	<b>(5,220)</b>	<b>7,908</b>	<b>–</b>
<b>Profit/(loss) before corporate income tax benefit</b>	<b>8,157</b>	<b>16,880</b>	<b>3,707</b>	<b>1,441</b>	<b>(3,017)</b>	<b>–</b>	<b>27,168</b>
Corporate income tax benefit	257	451	99	–	–	–	807
<b>Profit/(loss) for the period</b>	<b>8,414</b>	<b>17,331</b>	<b>3,806</b>	<b>1,441</b>	<b>(3,017)</b>	<b>–</b>	<b>27,975</b>

*(in millions of tenge)***27 Fair value of financial instruments****Accounting classifications and fair values**

The table below sets out the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2024:

<i>31 March 2024 (unaudited)</i>					
<i>Assets and liabilities measured at fair value</i>	<i>Assets and liabilities whose fair value is disclosed</i>	<i>Total carrying amount</i>	<i>Fair value</i>	<i>Unrecognized gain/(loss)</i>	
Cash and cash equivalents	870,274	870,274	870,274	–	
Amounts due from financial institutions	64,379	64,379	64,379	–	
Securities measured at fair value through profit or loss	2,542	2,542	2,542	–	
Loans to customers	1,440,133	1,440,133	1,447,749	7,616	
Investment securities measured at FVOCI	801,962	801,962	801,962	–	
Investment securities measured at amortized cost	290,281	290,281	283,651	(6,630)	
Other financial assets	9,445	9,445	9,445	–	
	<b>804,504</b>	<b>2,674,512</b>	<b>3,479,016</b>	<b>3,480,002</b>	<b>986</b>
Current accounts and deposits from customers	2,386,289	2,386,289	2,385,861	428	
Amounts due to banks and other financial institutions	77,425	77,425	68,291	9,134	
Amounts payable under repurchase agreements	294,566	294,566	294,566	–	
Debt securities issued	272,483	272,483	267,059	5,424	
Subordinated debt	14,647	14,647	12,104	2,543	
Other financial liabilities	42,126	42,126	42,126	–	
	<b>3,087,536</b>	<b>3,087,536</b>	<b>3,070,007</b>	<b>17,529</b>	<b>18,515</b>

The table below sets out the carrying amounts and fair values of financial assets and financial liabilities as at 31 December 2023:

<i>31 December 2023</i>					
<i>Assets and liabilities measured at fair value</i>	<i>Assets and liabilities whose fair value is disclosed</i>	<i>Total carrying amount</i>	<i>Fair value</i>	<i>Unrecognized income/(loss)</i>	
Cash and cash equivalents	704,042	704,042	704,042	–	
Amounts due from financial institutions	101,430	101,430	101,430	–	
Securities measured at fair value through profit or loss	3,016	3,016	3,016	–	
Loans to customers	1,377,500	1,377,500	1,375,552	(1,948)	
Investment securities measured at FVOCI	664,959	664,959	664,959	–	
Investment securities measured at amortized cost	288,695	288,695	278,038	(10,657)	
Other financial assets	9,890	9,890	9,890	–	
	<b>667,975</b>	<b>2,481,557</b>	<b>3,149,532</b>	<b>3,136,927</b>	<b>(12,606)</b>
Current accounts and deposits of customers	2,261,023	2,261,023	2,259,438	1,585	
Amounts due to banks and other financial institutions	68,384	68,384	59,799	8,585	
Amounts payable under repurchase agreements	163,523	163,523	163,523	–	
Debt securities issued	267,250	267,250	254,558	12,692	
Subordinated debt	14,389	14,389	11,260	3,129	
Other financial liabilities	33,093	33,093	33,093	–	
	<b>2,807,662</b>	<b>2,807,662</b>	<b>2,781,671</b>	<b>25,991</b>	<b>13,385</b>

(in millions of tenge)

## 27 Fair value of financial instruments (continued)

### Accounting classifications and fair values (continued)

The estimate of fair value is intended to approximate the amount 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. However, considering the uncertainties and the use of judgements, the fair value should not be interpreted as realizable within the framework of an immediate sale of assets or the transfer of liabilities.

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market quotes or dealer price quotations. The Group determines fair value of all other financial instruments using various valuation techniques.

The purpose of valuation techniques is to achieve a method of fair value measurement that reflects the price of a transaction on an organized market for the sale of an asset or transfer a liability between market participants at the measurement date.

Financial assets and liabilities in the above table are carried at amortised cost, except for securities at fair value through profit or loss with carrying amount of 2,542 million tenge (31 December 2023: 3,016 million tenge) and investment securities measured at FVOCI with carrying amount of 801,962 million tenge (31 December 2023: 664,959 million tenge).

Valuation techniques include net present value valuation models and discounting of cash flows, comparison with similar instruments with known market quotations, as well as other valuation models. Assumptions and inputs used in valuation techniques include risk-free and base interest rates, credit spreads and other adjustments used in estimating discount rates, shares and bonds quotations, and expected price movements and their comparison. Valuation techniques focused on determining the fair value, which reflects the value of a financial instrument as at the reporting date that would have been determined by independent market participants.

The Group uses widely recognized valuation techniques for determining the fair value of standard and more simple financial instruments, such as interest rate and currency swaps, and such techniques use only observable market data and do not require management judgements or estimates. Observable quotations and model inputs are usually available in the market for publicly traded debt and equity securities, derivatives traded on the stock exchange, as well as simple off-market financial derivatives, such as interest rate swaps.

The Group uses its own valuation models for more sophisticated instruments. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Certain loans and securities for which there is no active market can be an example of instruments the estimation of which is based on the use of unobservable inputs.

#### *Assets for which fair value approximates to carrying value*

For financial assets and financial liabilities that are liquid or having a short-term maturity (less than three months) it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits and savings accounts without a specific maturity.

#### *Financial assets and financial liabilities accounted for at amortized cost*

Fair value of the quoted bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans to customers, customer deposits, amounts due from credit institutions, deposits of banks and other credit institutions, other financial assets and liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

The following assumptions are used by the management to estimate the fair values of financial instruments:

- The discount rate in the range from 6.68% to 20.43% per annum was used to discount the future cash flows from USD- and tenge-denominated loans to corporate customers (31 December 2023: 7.32% to 20.76% per annum);
- The discount rate in the range from 3.98% to 30.61% per annum was used to calculate the future cash flows from USD- and tenge-denominated loans to individuals (31 December 2023: 3.95% to 30.88% per annum);
- The discount rate in the range from 5.19% to 12.91% was used to calculate the future cash flows from securities measured at amortised cost, denominated in USD and tenge (31 December 2023: 4.95% to 15.28%);
- The fair value of current accounts and deposits of customers approximates their fair value given the depositors' rights to withdraw their funds prior to maturity in accordance with the laws of the Republic of Kazakhstan (Note 16);
- The discount rate in the range from 2.67% to 18.78% was used to calculate the future cash flows from amounts due from credit institutions, deposits of banks and other credit institutions (31 December 2023: 2.67% to 20.61%).

*(in millions of tenge)***27 Fair value of financial instruments (continued)****Fair value hierarchy**

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: models for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table analyses financial instruments carried at fair value as at 31 March 2024, by fair value hierarchy, into which the fair value measurement is categorized.

	<i>Note</i>	<i>31 March 2024 (unaudited)</i>			<i>Total</i>
		<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	
<b>Assets</b>					
Securities measured at fair value through profit or loss		225	45	2,272	2,542
Investment securities measured at FVOCI	14	582,646	219,316	–	801,962
		<u>582,871</u>	<u>219,361</u>	<u>2,272</u>	<u>804,504</u>

The table below analyses financial instruments measured at fair value at 31 December 2023, by the level in the fair value hierarchy into which the fair value measurement is categorized.

	<i>Note</i>	<i>31 December 2023</i>			<i>Total</i>
		<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	
<b>Assets</b>					
Securities measured at fair value through profit or loss		671	73	2,272	3,016
Investment securities measured at FVOCI	14	472,351	192,608	–	664,959
		<u>473,022</u>	<u>192,681</u>	<u>2,272</u>	<u>667,975</u>

As at 31 March 2024, KSF debt securities as well as bonds of the Ministry of Finance of the Republic of Kazakhstan measured at FVOCI in the amount of 32,640 million tenge and 155,237 million tenge, respectively, are classified in Level 2 of the fair value hierarchy (as at 31 December 2023: KSF debt securities and bonds of the Ministry of Finance of the Republic of Kazakhstan 59,662 million tenge and 104,137 million tenge, respectively). These investment securities are considered for regulatory purposes as high-quality liquid assets but are classified in Level 2 due to insufficient amount of transactions with these securities in an active market.

As at 31 March 2024 and 31 December 2023, fair value of trading securities measured at fair value through profit or loss classified in Level 3 has been valued using the Free Cash flow method. The valuation model takes into account cash flows discounted at weighted average cost of capital.

*(in millions of tenge)***27 Fair value of financial instruments (continued)****Fair value hierarchy (continued)**

The following table analyses financial instruments not measured at fair value as at 31 March 2024, by fair value hierarchy, into which the fair value measurement is categorized:

	<i>31 March 2024 (unaudited)</i>			<i>Total fair value</i>	<i>Total carrying amount</i>
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>		
<b>Assets</b>					
Cash and cash equivalents	–	870,274	–	870,274	870,274
Amounts due from financial institutions	–	64,379	–	64,379	64,379
Loans to customers	–	1,377,205	70,544	1,447,749	1,440,133
Investment securities measured at amortized cost	28,538	19,508	235,605	283,651	290,281
Other financial assets	–	9,445	–	9,445	9,445
<b>Liabilities</b>					
Current accounts and deposits of customers	–	2,385,861	–	2,385,861	2,386,289
Amounts due to banks and other financial institutions	–	68,291	–	68,291	77,425
Amounts payable under repurchase agreements	–	294,566	–	294,566	294,566
Debt securities issued	–	267,059	–	267,059	272,483
Subordinated debt	–	12,104	–	12,104	14,647
Other financial liabilities	–	42,126	–	42,126	42,126

The following table analyses financial instruments not measured at fair value as at 31 December 2023, by fair value hierarchy, into which the fair value measurement is categorized:

	<i>31 December 2023</i>			<i>Total fair value</i>	<i>Total carrying amount</i>
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>		
<b>Assets</b>					
Cash and cash equivalents	–	704,042	–	704,042	704,042
Amounts due from financial institutions	–	101,430	–	101,430	101,430
Loans to customers	–	1,319,908	55,644	1,375,552	1,377,500
Investment securities measured at amortized cost	29,349	19,762	228,927	278,038	288,695
Other financial assets	–	9,890	–	9,890	9,890
<b>Liabilities</b>					
Current accounts and deposits from customers	–	2,259,438	–	2,259,438	2,261,023
Amounts due to banks and other financial institutions	–	59,799	–	59,799	68,384
Amounts payable under repurchase agreements	–	163,523	–	163,523	163,523
Debt securities issued	–	254,558	–	254,558	267,250
Subordinated debt	–	11,260	–	11,260	14,389
Other financial liabilities	–	33,093	–	33,093	33,093

**28 Subsequent events**

In accordance with the resolution of the shareholders dated 17 April 2024, the Bank decided to pay dividends on ordinary shares for the year ended 31 December 2023, in the amount of 58,218 million tenge, at the rate of 0.6436 tenge per ordinary share.