

**ForteBank Joint Stock Company**

**Interim condensed consolidated financial statements**

*30 June 2024*

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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME****For the six-month period ended 30 June 2024***(millions of tenge)*

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
Interest income calculated using effective interest rate	4	126,637	86,954	243,523	168,909
Other interest income	4	1,354	776	2,517	1,428
Interest expense	4	(65,005)	(42,145)	(124,814)	(82,970)
<b>Net interest income</b>		<b>62,986</b>	<b>45,585</b>	<b>121,226</b>	<b>87,367</b>
Fee and commission income		8,761	9,007	16,829	17,388
Fee and commission expense		(3,214)	(3,490)	(6,521)	(6,946)
Net gain/(loss) on transactions with financial instruments at fair value through profit or loss	5	5,363	(323)	5,147	(394)
Net gain/(loss) on derecognition of investment securities at fair value through other comprehensive income		83	(17)	98	122
Net gains from foreign currencies	6	3,039	8,271	9,468	17,533
Dividend received		494	302	494	302
Other income		521	2,211	1,443	3,500
<b>Non-interest income</b>		<b>15,047</b>	<b>15,961</b>	<b>26,958</b>	<b>31,505</b>
Credit loss expense	7	(13,411)	(11,021)	(17,532)	(22,752)
Net loss on derecognition of financial assets measured at amortized cost		(320)	(786)	(546)	(1,676)
Net loss on derecognition of financial liability as a result of modification	15	—	—	(3,593)	—
General and administrative expenses	8	(19,463)	(19,152)	(41,333)	(35,501)
Other expenses		(1,784)	(1,128)	(3,229)	(2,854)
<b>Non-interest expense</b>		<b>(34,978)</b>	<b>(32,087)</b>	<b>(66,233)</b>	<b>(62,783)</b>
<b>Profit before corporate income tax</b>		<b>43,055</b>	<b>29,459</b>	<b>81,951</b>	<b>56,089</b>
Corporate income tax (expense)/benefit	9	(2,861)	450	(7,186)	1,257
<b>Profit for the period</b>		<b>40,194</b>	<b>29,909</b>	<b>74,765</b>	<b>57,346</b>
<b>Other comprehensive income</b>					
<i>Other comprehensive (loss)/income 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		(15,509)	1,547	(410)	10,678
Income tax relating to components of other comprehensive income		(12)	(44)	45	(125)
Changes in allowance for expected credit losses of debt instruments at fair value through other comprehensive income	7	468	(74)	881	214
Reclassification of cumulative loss on disposal of debt instruments at fair value through other comprehensive income to profit or loss		(83)	17	(98)	(122)
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>		<b>(15,136)</b>	<b>1,446</b>	<b>418</b>	<b>10,645</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		—	(265)	(1)	(803)
<b>Total other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods</b>		<b>—</b>	<b>(265)</b>	<b>(1)</b>	<b>(803)</b>
<b>Other comprehensive (loss)/income for the period net of income tax</b>		<b>(15,136)</b>	<b>1,181</b>	<b>417</b>	<b>9,842</b>
<b>Total comprehensive income for the period</b>		<b>25,058</b>	<b>31,090</b>	<b>75,182</b>	<b>67,188</b>
<b>Basic and diluted earnings per ordinary share (tenge)</b>	18	<b>0.44</b>	<b>0.33</b>	<b>0.83</b>	<b>0.63</b>

G.T. Bissembiyeva  
Acting Chairman of the Management Board

14 August 2024

The accompanying notes on pages 7 to 14 form an integral part of these interim condensed consolidated financial statements.

Z.B. Albosinova  
Chief Accountant – Managing Director

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****At 30 June 2024***(millions of tenge)*

	<i>Note</i>	<i>30 June 2024 (unaudited)</i>	<i>31 December 2023</i>
<b>Assets</b>			
Cash and cash equivalents	10	540,217	704,042
Amounts due from financial institutions	11	42,412	101,430
Securities measured at fair value through profit or loss		2,609	3,016
Loans to customers	12	1,604,341	1,377,500
Investment securities			
<i>Held by the Group</i>	13	<i>1,046,908</i>	<i>789,486</i>
<i>Pledged under sale and repurchase agreement</i>	13	<i>419,195</i>	<i>164,168</i>
Property and equipment		54,819	56,665
Intangible assets		16,369	13,867
Other assets		43,396	43,001
<b>Total assets</b>		<b>3,770,266</b>	<b>3,253,175</b>
<b>Liabilities</b>			
Current accounts and deposits from customers	14	2,462,586	2,261,023
Amounts due to banks and other financial institutions	15	82,075	68,384
Amounts payable under repurchase agreements	16	416,951	163,523
Debt securities issued		284,842	267,250
Subordinated debt		14,389	14,389
Deferred tax liabilities		13,925	12,732
Other liabilities		48,723	36,066
<b>Total liabilities</b>		<b>3,323,491</b>	<b>2,823,367</b>
<b>Equity</b>			
Share capital	17	332,815	332,815
Additional paid-in capital		23,651	23,651
Treasury shares	17	(3,465)	(3,465)
Fair value reserve		(5,627)	(6,044)
Retained earnings		99,401	82,851
<b>Total equity</b>		<b>446,775</b>	<b>429,808</b>
<b>Total equity and liabilities</b>		<b>3,770,266</b>	<b>3,253,175</b>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****For the six-month period ended 30 June 2024***(millions of tenge)*

	<i>Note</i>	<i>For the six-month period ended 30 June</i>	
		<i>2024 (unaudited)</i>	<i>2023 (unaudited)</i>
<b>Cash flows from operating activities</b>			
Interest received	4	227,472	157,705
Interest paid	4	(109,676)	(69,940)
Fee and commission received		16,755	17,851
Fee and commission paid		(6,543)	(6,970)
Net realized gain/(loss) on financial instruments at fair value through profit or loss		4,269	(494)
Net realized gain from foreign currency transactions	6	14,627	17,354
Other operating (expenses paid)/income received		(1,048)	3,776
Dividends received		494	302
General and administrative expenses paid		(31,540)	(27,040)
<b>(Increase)/decrease in operating assets</b>			
Amounts due from financial institutions		57,287	(346)
Securities measured at fair value through profit or loss		428	(93)
Loans to customers		(224,057)	(70,581)
Other assets		(869)	8,496
<b>Increase/(decrease) in operating liabilities</b>			
Current accounts and deposits from customers		170,917	16,692
Amounts due to banks and other financial institutions		13,898	1,443
Amounts payable under repurchase agreements		253,049	60,965
Other liabilities		1,443	2,261
<b>Net cash flow from operating activities before corporate income tax paid</b>		<b>386,906</b>	<b>111,381</b>
Corporate income tax paid		(3,145)	(584)
<b>Net cash flows from operating activities</b>		<b>383,761</b>	<b>110,797</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		(717,267)	(176,968)
Proceeds from sale of investment securities at fair value through other comprehensive income		18,544	29,231
Proceeds from redemption of investment securities at fair value through other comprehensive income		207,897	94,954
Purchase of property and equipment and intangible assets		(3,790)	(2,040)
Proceeds from sale of property and equipment and intangible assets		1	1
<b>Net cash used in investing activities</b>		<b>(494,615)</b>	<b>(49,988)</b>
<b>Cash flows from financing activities</b>			
Repayment of finance lease liabilities		(359)	(333)
Repayment of subordinated debt		–	(2,313)
Proceeds from the placement of debt securities issued		3,235	1,369
Dividends paid to shareholders of the Bank		(58,208)	(49,034)
<b>Net cash used in financing activities</b>		<b>(55,332)</b>	<b>(50,311)</b>
<b>Net change in cash and cash equivalents</b>		<b>(166,186)</b>	<b>10,498</b>
Effect of changes in exchange rates on cash and cash equivalents		2,366	(8,882)
Effect of expected credit loss on cash and cash equivalents		(5)	(1)
Cash and cash equivalents at the beginning of the period		704,042	457,962
<b>Cash and cash equivalents at the end of the period</b>		<b>540,217</b>	<b>459,577</b>
<b>Non-monetary transactions</b>			
Repossession of collateral on loans to customers	12	1,243	653

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****For the six-month period ended 30 June 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>	<b>332,815</b>	<b>23,651</b>	<b>(3,465)</b>	<b>(6,044)</b>	<b>82,851</b>	<b>429,808</b>
Profit for the reporting period (unaudited)	–	–	–	–	74,765	74,765
Other comprehensive income that will not to be reclassified to profit or loss in subsequent periods (unaudited)	–	–	–	(1)	–	(1)
Other comprehensive income to be reclassified to profit or loss in subsequent periods (unaudited)	–	–	–	418	–	418
<b>Total comprehensive income for the period (unaudited)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>417</b>	<b>74,765</b>	<b>75,182</b>
Dividends declared ( <i>Note 17</i> ) (unaudited)	–	–	–	–	(58,215)	(58,215)
<b>At 30 June 2024 (unaudited)</b>	<b>332,815</b>	<b>23,651</b>	<b>(3,465)</b>	<b>(5,627)</b>	<b>99,401</b>	<b>446,775</b>

*The accompanying notes on pages 7 to 44 are an integral part of these interim condensed consolidated financial statements.*

**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>Retained earnings</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)	–	–	–	–	57,346	57,346
Transfer of accumulated revaluation reserve resulting from disposal of equity instruments at fair value through other comprehensive income (unaudited)	–	–	–	(803)	803	–
Other comprehensive income to be reclassified to profit or loss in subsequent periods (unaudited)	–	–	–	10,645	–	10,645
<b>Total comprehensive income for the period (unaudited)</b>	–	–	–	9,842	58,149	67,991
Dividends declared ( <i>Note 17</i> )	–	–	–	–	(49,034)	(49,034)
<b>At 30 June 2023 (unaudited)</b>	332,815	23,651	(3,465)	(14,044)	23,760	362,717

The accompanying notes on pages 7 to 44 are an integral part of these interim condensed consolidated financial statements.

*(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 30 June 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 30 June 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 30 June 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>30 June 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 30 June 2024, Mr B. Zh. Utemuratov was the beneficial owner of 83.41% 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 30 June 2024 have been prepared in accordance with IFRS Accounting Standard (IAS) 34 *Interim Financial Reporting* issued by International Accounting Standard Board (IFRS Accounting Standards).

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 30 June 2024, the official exchange rate used for translation of foreign currency balances was 471.46 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.

### 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 30 June 2024, inflation rate in Kazakhstan was 8.4% (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.

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 six-month period ended 30 June 2024, the NBRK made decision to decrease the base rate to 14.50% per annum with an interest band of +/-1%. On July 15, the NBRK decided to decrease the base rate to 14.25% per annum with an interest band of +/-1%.

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.

(in millions of tenge)

## 2 Basis of preparation (continued)

### 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.

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

As at 30 June 2024, the Group uses the following forward-looking information in its ECL calculation models as economic inputs:

- GDP growth;
- USD/KZT rate;
- GVA for agriculture, forestry and fisheries;
- GVA for industry;
- GVA for construction;
- GVA for wholesale and retail trade; repair of cars and motorcycles;
- Oil price (Brent).

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 30 June 2024 are presented below:

*(in millions of tenge)***3. Significant accounting judgements and estimates (continued)***Forward-looking information and multiple economic scenarios (continued)*

<i>Key drivers</i>	<i>ECL scenario</i>	<i>Assigned probabilities, %</i>	<i>Forecast</i>
<b>GDP growth</b>	Positive	44,5%	4,4%
	Base case	19,4%	3,8%
	Negative	36,1%	2,9%
<b>USD/KZT rate</b>	Positive	44,5%	441,06
	Base case	19,4%	451,56
	Negative	36,1%	463,91
<b>GVA for agriculture, forestry and fisheries</b>	Positive	44,5%	0,9%
	Base case	19,4%	1,1%
	Negative	36,1%	0,6%
<b>GVA for industry</b>	Positive	44,5%	3,4%
	Base case	19,4%	2,9%
	Negative	36,1%	1,8%
<b>GVA for construction</b>	Positive	44,5%	20,7%
	Base case	19,4%	20,4%
	Negative	36,1%	19,8%
<b>GVA for wholesale and retail trade; repair of cars and motorcycles</b>	Positive	44,5%	7,2%
	Base case	19,4%	6,4%
	Negative	36,1%	4,2%
<b>Oil Price (Brent)</b>	Positive	44,5%	90,49
	Base case	19,4%	89,88
	Negative	36,1%	85,50

As at 30 June 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 296 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 30 June 2024 was 85,666 million tenge (31 December 2023: 90,263 million tenge). More details are provided in *Note 12*.

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

Net interest income comprises:

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Interest income calculated using effective interest rate</b>				
Loans to customers	76,242	58,206	146,619	110,989
Debt investment securities at FVOCI	24,334	17,558	43,783	35,006
Amounts due from financial institutions	21,269	5,125	42,653	11,322
Investment securities measured at amortized cost	4,262	4,277	8,529	8,614
Amounts receivable under reverse repurchase agreements	311	1,444	1,327	2,333
Other financial assets	219	344	612	645
	<b>126,637</b>	<b>86,954</b>	<b>243,523</b>	<b>168,909</b>
<b>Other interest income</b>				
Finance lease receivables	1,354	776	2,517	1,428
	<b>127,991</b>	<b>87,730</b>	<b>246,040</b>	<b>170,337</b>
<b>Interest expense</b>				
Current accounts and deposits from customers	(42,878)	(28,893)	(86,463)	(56,897)
Amounts payable under repurchase agreements	(12,263)	(4,377)	(19,309)	(8,545)
Debt securities issued	(8,238)	(7,709)	(16,058)	(15,214)
Amounts due to banks and other financial institutions	(1,342)	(882)	(2,416)	(1,746)
Subordinated debt	(284)	(284)	(568)	(568)
	<b>(65,005)</b>	<b>(42,145)</b>	<b>(124,814)</b>	<b>(82,970)</b>
<b>Net interest income</b>	<b>62,986</b>	<b>45,585</b>	<b>121,226</b>	<b>87,367</b>

Interest income calculated using the effective interest rate for the six-month period ended 30 June 2024 includes income of 6,072 million tenge representing the unwinding of discount on loans to customers (for the six-month period ended 30 June 2023: 4,581 million tenge).

Interest received is as follows:

	<i>For the six-month period ended 30 June</i>	
	<i>2024</i>	<i>2023</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Interest received</b>		
Loans to customers	138,390	105,761
Amounts due from financial institutions	45,319	11,322
Debt investment securities at FVOCI	39,042	35,848
Finance lease receivables	2,517	1,428
Amounts receivable under reverse repurchase agreements	1,327	2,333
Investment securities measured at amortized cost	877	1,013
	<b>227,472</b>	<b>157,705</b>

Interest paid comprise:

	<i>For the six-month period ended 30 June</i>	
	<i>2024</i>	<i>2023</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Interest paid</b>		
Current accounts and deposits from customers	(86,300)	(56,790)
Amounts payable under repurchase agreements	(18,864)	(8,167)
Debt securities issued	(2,418)	(2,507)
Amounts due to banks and other financial institutions	(1,526)	(1,815)
Subordinated debt	(568)	(661)
	<b>(109,676)</b>	<b>(69,940)</b>

*(in millions of tenge)***5 Net gain/(loss) on transactions with financial instruments at fair value through profit or loss**

Net gain/(loss) on transactions with financial instruments at fair value through profit or loss comprise:

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Net (loss)/gain from change in fair value of trading securities	<b>(1)</b>	70	<b>21</b>	78
Net gain/(loss) from derivative financial instruments	<b>5,364</b>	(393)	<b>5,126</b>	(472)
	<b>5,363</b>	(323)	<b>5,147</b>	(394)

**6 Net gains from foreign currencies**

Net gain from foreign currencies comprises:

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Dealing transactions, net	<b>8,118</b>	8,267	<b>14,627</b>	17,354
Foreign exchange revaluation, net	<b>(5,079)</b>	4	<b>(5,159)</b>	179
	<b>3,039</b>	8,271	<b>9,468</b>	17,533

**7 Credit loss expense**

Credit loss expenses comprised the following:

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Loans to customers ( <i>Note 12</i> )	<b>(12,818)</b>	(10,427)	<b>(16,507)</b>	(21,658)
Investment securities measured at FVOCI	<b>(468)</b>	74	<b>(881)</b>	(214)
Amounts due from financial institutions	<b>(107)</b>	(3)	<b>72</b>	(122)
Cash and cash equivalents	–	(4)	<b>(5)</b>	(2)
Other financial assets	<b>(96)</b>	(660)	<b>(221)</b>	(735)
Financial guarantees, letters of credit and credit related commitments	<b>56</b>	–	<b>(4)</b>	–
Investment securities measured at amortized cost	<b>22</b>	(1)	<b>14</b>	(21)
	<b>(13,411)</b>	(11,021)	<b>(17,532)</b>	(22,752)

*(in millions of tenge)***8 General and administrative expenses**

General and administrative expenses comprise:

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2024 (unaudited)</i>	<i>2023 (unaudited)</i>	<i>2024 (unaudited)</i>	<i>2023 (unaudited)</i>
Salary and related taxes	<b>(12,341)</b>	(10,493)	<b>(24,313)</b>	(20,280)
Depreciation and amortization	<b>(2,362)</b>	(2,177)	<b>(4,718)</b>	(4,311)
Telecommunication and information services	<b>(1,194)</b>	(1,258)	<b>(3,106)</b>	(2,096)
Advertising and marketing	<b>(1,064)</b>	(745)	<b>(1,818)</b>	(1,206)
Taxes other than corporate income tax	<b>(698)</b>	(761)	<b>(1,471)</b>	(1,438)
Maintenance of buildings	<b>(459)</b>	(400)	<b>(916)</b>	(862)
Security	<b>(271)</b>	(251)	<b>(547)</b>	(513)
Repair and maintenance	<b>(222)</b>	(184)	<b>(336)</b>	(294)
Encashment	<b>(198)</b>	(139)	<b>(411)</b>	(277)
Other professional services	<b>(186)</b>	(183)	<b>(330)</b>	(335)
Transportation	<b>(158)</b>	(130)	<b>(331)</b>	(268)
Business trips	<b>(117)</b>	(118)	<b>(236)</b>	(158)
Lease	<b>(94)</b>	(87)	<b>(193)</b>	(165)
Insurance	<b>(85)</b>	(101)	<b>(160)</b>	(195)
Charity and sponsorship	<b>(10)</b>	(1,917)	<b>(2,318)</b>	(2,663)
Other	<b>(4)</b>	(208)	<b>(129)</b>	(440)
	<b>(19,463)</b>	(19,152)	<b>(41,333)</b>	(35,501)

During the six-month period ended 30 June 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.

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

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

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2024 (unaudited)</i>	<i>2023 (unaudited)</i>	<i>2024 (unaudited)</i>	<i>2023 (unaudited)</i>
Current corporate income tax expenses	<b>(2,309)</b>	(775)	<b>(5,948)</b>	(788)
Deferred corporate income tax (expenses)/benefit – origination and decrease of temporary differences	<b>(552)</b>	1,225	<b>(1,238)</b>	2,045
	<b>(2,861)</b>	450	<b>(7,186)</b>	1,257

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)***10 Cash and cash equivalents**

Cash comprises:

	<i>30 June 2024</i> <i>(unaudited)</i>	<i>31 December</i> <i>2023</i>
Cash on hand	58,763	68,036
Cash on current accounts with the NBRK	41,879	39,459
Cash on current accounts with other banks:		
- rated from A- to A+	38,996	43,716
- rated from BBB- to BBB+	11,678	2,384
- rated from BB- to BB+	72	238
- rated below B+	3	5
- not rated	9,443	6,894
Time deposits with the NBRK with contractual maturity of 90 days or less	367,090	355,798
Accounts receivable under reverse repurchase agreements with contractual maturity of 90 days and less	4,375	169,171
Time deposits with other banks rated at A- with contractual maturity 90 days or less	–	15,067
Time deposits with credit institutions not rated with contractual maturity 90 days or less	7,926	3,276
<b>Cash and cash equivalents before allowance for ECL</b>	<b>540,225</b>	<b>704,044</b>
Allowance for ECL	<b>(8)</b>	<b>(2)</b>
<b>Cash and cash equivalents</b>	<b>540,217</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 30 June 2024, cash balances of 158 million tenge with no external rating assigned are allocated to Stage 2. As at 31 December 2023, cash balances of 3,240 million tenge with no external rating assigned and allowance for ECL of 1 million tenge are allocated to Stage 2. The remaining cash is allocated to Stage 1.

As at 30 June 2024, current account balances with other non-rated banks comprise mainly balances of 9,424 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 30 June 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 the fair value of which as at 30 June 2024 is 4,328 million tenge (31 December 2023: bonds of the Ministry of Finance of the Republic of Kazakhstan, «Kazakhstan Sustainability Fund» JSC (hereinafter, the «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 30 June 2024, minimum reserve requirements of the Group amount to 48,387 million tenge (31 December 2023: 46,859 million tenge).

**Concentration of cash and cash equivalents**

As at 30 June 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 30 June 2024 amounts to 408,969 million tenge (31 December 2023: 395,257 million tenge).

*(in millions of tenge)***11 Amounts due from financial institutions**

Amounts due from financial institutions comprise:

	<i>30 June 2024</i> <i>(unaudited)</i>	<i>31 December</i> <i>2023</i>
Current accounts with the NBRK, restricted in use	18,554	9,696
Deposits with the NBRK with up to 90 days or more	–	70,846
Loans provided to other banks	4,143	–
Deposits with other banks:		
- not rated	654	636
Contingent deposits and deposits pledged as a collateral:		
- rated from AA- to AA+	12,075	11,387
- rated from A- to A+	3,912	114
- rated from BBB- to BBB+	358	159
- not rated	3,557	9,487
<b>Amounts due from financial institutions before allowance for ECL</b>	<b>43,253</b>	<b>102,325</b>
Allowance for ECL	<b>(841)</b>	<b>(895)</b>
<b>Amounts due from financial institutions</b>	<b>42,412</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 30 June 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 30 June 2024 and 31 December 2023, all balances of amounts due from financial institutions are allocated to Stage 1 for ECL measurement purposes.

As at 30 June 2024, deposits with other banks with no external credit rating assigned primarily include KASE margin collateral in the amount of 3,502 million tenge (31 December 2023: 5,815 million tenge).

As at 30 June 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 15,844 million tenge (31 December 2023: 14,976 million tenge).

As at 30 June 2024, the Group has amounts due from two financial institutions (31 December 2023: two) whose balances exceed 10% of total due from financial institutions. As at 30 June 2024, the total amount of funds due from these financial institutions is 30,605 million tenge (31 December 2023: 91,902 million tenge).



*(in millions of tenge)***12 Loans to customers**

Loans to customers comprise:

	<i>30 June 2024 (unaudited)</i>				
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
Individually significant loans	701,036	5,700	881	2,104	709,721
<b>Total individually significant loans</b>	<b>701,036</b>	<b>5,700</b>	<b>881</b>	<b>2,104</b>	<b>709,721</b>
<b>Individually insignificant loans</b>					
Corporate loans	305,526	6,651	12,585	458	325,220
Consumer loans	415,843	23,389	53,057	1	492,290
Car loans	84,714	126	89	–	84,929
Credit cards	2,840	158	1,037	–	4,035
Mortgage loans	21,716	204	977	4,122	27,019
Other loans secured by collateral	29,772	552	9,574	6,895	46,793
<b>Total individually insignificant loans</b>	<b>860,411</b>	<b>31,080</b>	<b>77,319</b>	<b>11,476</b>	<b>980,286</b>
<b>Loans to customers before allowance for ECL</b>	<b>1,561,447</b>	<b>36,780</b>	<b>78,200</b>	<b>13,580</b>	<b>1,690,007</b>
Allowance for ECL	(20,149)	(9,205)	(53,800)	(2,512)	(85,666)
<b>Loans to customers</b>	<b>1,541,298</b>	<b>27,575</b>	<b>24,400</b>	<b>11,068</b>	<b>1,604,341</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>

**Analysis of credit quality of loans to legal entities**

The following table provides information on the credit quality of loans to legal entities as at 30 June 2024:

	<i>30 June 2024 (unaudited)</i>				
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
<b>Loans to large corporate business (hereinafter «CB»)</b>					
Not overdue	530,218	–	873	–	531,091
Expected credit losses	(2,080)	–	–	–	(2,080)
<b>Total loans to corporate customers</b>	<b>528,138</b>	<b>–</b>	<b>873</b>	<b>–</b>	<b>529,011</b>

*(in millions of tenge)***12 Loans to customers (continued)****Analysis of credit quality of loans to legal entities (continued)**

	<i>30 June 2024 (unaudited)</i>				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Loans to small and medium businesses (hereinafter «SMB»)</b>					
Not overdue	472,182	9,083	2,687	1,612	485,564
Overdue less than 30 days	4,162	1,128	2,835	25	8,150
Overdue 30-89 days	–	2,140	528	–	2,668
Overdue 90-179 days	–	–	1,545	–	1,545
Overdue 180-360 days	–	–	961	–	961
Overdue more than 360 days	–	–	4,037	925	4,962
Expected credit losses	(3,524)	(1,938)	(5,763)	(910)	(12,135)
<b>Total</b>	<b>472,820</b>	<b>10,413</b>	<b>6,830</b>	<b>1,652</b>	<b>491,715</b>

**Analysis of credit quality of loans to individuals:**

The following table provides information on the credit quality of loans to individuals as at 30 June 2024:

	<i>30 June 2024 (unaudited)</i>				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Loans to retail customers</b>					
<b>Consumer loans</b>					
Not overdue	411,173	3,675	4,756	1	419,605
Overdue less than 30 days	4,670	8,577	880	–	14,127
Overdue 30-89 days	–	11,137	789	–	11,926
Overdue 90-179 days	–	–	13,081	–	13,081
Overdue 180-360 days	–	–	17,033	–	17,033
Overdue more than 360 days	–	–	16,518	–	16,518
Expected credit losses	(13,317)	(7,070)	(40,729)	(1)	(61,117)
<b>Total consumer loans</b>	<b>402,526</b>	<b>16,319</b>	<b>12,328</b>	<b>–</b>	<b>431,173</b>
<b>Car loans</b>					
Not overdue	84,464	51	34	–	84,549
Overdue less than 30 days	250	22	7	–	279
Overdue 30-89 days	–	53	–	–	53
Overdue 90-179 days	–	–	34	–	34
Overdue 180-360 days	–	–	6	–	6
Overdue more than 360 days	–	–	8	–	8
Expected credit losses	(676)	(11)	(39)	–	(726)
<b>Total car loans</b>	<b>84,038</b>	<b>115</b>	<b>50</b>	<b>–</b>	<b>84,203</b>
<b>Credit cards</b>					
Not overdue					
Overdue less than 30 days	2,837	10	14	–	2,861
Overdue 30-89 days	3	92	1	–	96
Overdue 90-179 days	–	56	5	–	61
Overdue 180-360 days	–	–	65	–	65
Overdue more than 360 days	–	–	101	–	101
Expected credit losses	–	–	851	–	851
<b>Total credit cards</b>	<b>(227)</b>	<b>(79)</b>	<b>(834)</b>	<b>–</b>	<b>(1,140)</b>
	<b>2,613</b>	<b>79</b>	<b>203</b>	<b>–</b>	<b>2,895</b>

*(in millions of tenge)***12 Loans to customers (continued)****Analysis of credit quality of loans to individuals: (continued)**

	<i>30 June 2024 (unaudited)</i>				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Mortgage loans</b>					
Not overdue	21,346	69	243	2,740	24,398
Overdue less than 30 days	370	7	57	109	543
Overdue 30-89 days	–	128	46	79	253
Overdue 90-179 days	–	–	116	67	183
Overdue 180-360 days	–	–	15	101	116
Overdue more than 360 days	–	–	500	1,026	1,526
Expected credit losses	(89)	(24)	(435)	(704)	(1,252)
<b>Total mortgage loans</b>	<b>21,627</b>	<b>180</b>	<b>542</b>	<b>3,418</b>	<b>25,767</b>
<b>Other loans secured by collateral</b>					
Not overdue	28,916	101	900	4,927	34,844
Overdue less than 30 days	855	38	103	260	1,256
Overdue 30-89 days	1	413	52	120	586
Overdue 90-179 days	–	–	311	139	450
Overdue 180-360 days	–	–	452	145	597
Overdue more than 360 days	–	–	7,756	1,304	9,060
Expected credit losses	(236)	(83)	(6,000)	(897)	(7,216)
<b>Total other loans secured by collateral</b>	<b>29,536</b>	<b>469</b>	<b>3,574</b>	<b>5,998</b>	<b>39,577</b>
<b>Total retail loans</b>	<b>540,340</b>	<b>17,162</b>	<b>16,697</b>	<b>9,416</b>	<b>583,615</b>

**Analysis of credit quality of loans to legal entities**

The following table provides information on the credit quality of loans to legal entities as at 31 December 2023:

	<b>31 December 2023</b>				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Loans to large corporate business (CB)</b>					
Not overdue	424,905	437	5,304	82	430,728
Expected credit losses	(2,737)	(17)	–	–	(2,754)
<b>Total loans to corporate customers</b>	<b>422,168</b>	<b>420</b>	<b>5,304</b>	<b>82</b>	<b>427,974</b>

	<b>31 December 2023</b>				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Loans to small and medium businesses (SMB)</b>					
Not overdue	423,998	3,307	3,238	1,955	432,498
Overdue less than 30 days	1,779	610	76	–	2,465
Overdue 30-89 days	–	1,662	619	–	2,281
Overdue 90-179 days	–	3	1,161	–	1,164
Overdue 180-360 days	–	–	2,264	1,383	3,647
Overdue more than 360 days	–	–	6,955	29	6,984
Expected credit losses	(3,895)	(443)	(9,002)	(1,281)	(14,621)
<b>Total</b>	<b>421,882</b>	<b>5,139</b>	<b>5,311</b>	<b>2,086</b>	<b>434,418</b>

*(in millions of tenge)***12 Loans to customers (continued)****Analysis of credit quality of loans to individuals:**

The following table provides information on the credit quality of loans to individuals as at 31 December 2023:

	<i>31 December 2023</i>				<b>Total</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>POCI</b>	
<b>Loans to retail customers</b>					
<b>Consumer loans</b>					
Not overdue	413,161	233	5,204	1	418,599
Overdue less than 30 days	4,093	7,840	787	–	12,720
Overdue 30-89 days	–	8,890	976	–	9,866
Overdue 90-179 days	–	285	10,223	–	10,508
Overdue 180-360 days	–	–	15,919	–	15,919
Overdue more than 360 days	–	–	8,760	–	8,760
Expected credit losses	(12,717)	(8,280)	(32,469)	(1)	(53,467)
<b>Total consumer loans</b>	<b>404,537</b>	<b>8,968</b>	<b>9,400</b>	<b>–</b>	<b>422,905</b>
<b>Car loans</b>					
Not overdue	28,351	13	22	–	28,386
Overdue less than 30 days	66	18	–	–	84
Overdue 30-89 days	–	14	–	–	14
Overdue 90-179 days	–	–	12	–	12
Overdue more than 360 days	–	–	157	–	157
Expected credit losses	(282)	(2)	(171)	–	(455)
<b>Total car loans</b>	<b>28,135</b>	<b>43</b>	<b>20</b>	<b>–</b>	<b>28,198</b>
<b>Credit cards</b>					
Not overdue	3,092	5	32	–	3,129
Overdue less than 30 days	3	80	4	–	87
Overdue 30-89 days	–	38	6	–	44
Overdue 90-179 days	–	1	62	–	63
Overdue 180-360 days	–	–	157	–	157
Overdue more than 360 days	–	–	768	–	768
Expected credit losses	(241)	(46)	(889)	–	(1,176)
<b>Total credit cards</b>	<b>2,854</b>	<b>78</b>	<b>140</b>	<b>–</b>	<b>3,072</b>
<b>Mortgage loans</b>					
Not overdue	17,142	18	286	2,790	20,236
Overdue less than 30 days	392	9	4	183	588
Overdue 30-89 days	–	100	23	56	179
Overdue 90-179 days	–	–	86	196	282
Overdue 180-360 days	–	–	46	146	192
Overdue more than 360 days	–	–	740	3,056	3,796
Expected credit losses	(76)	(18)	(697)	(2,974)	(3,765)
<b>Total mortgage loans</b>	<b>17,458</b>	<b>109</b>	<b>488</b>	<b>3,453</b>	<b>21,508</b>

*(in millions of tenge)***12 Loans to customers (continued)****Analysis of credit quality of loans to individuals (continued):****Other loans secured by collateral**

Not overdue	28,320	20	554	5,127	34,021
Overdue less than 30 days	947	30	68	464	1,509
Overdue 30-89 days	27	627	84	315	1,053
Overdue 90-179 days	–	34	352	146	532
Overdue 180-360 days	–	–	431	185	616
Overdue more than 360 days	–	–	10,233	5,486	15,719
Expected credit losses	(251)	(146)	(8,206)	(5,422)	(14,025)
<b>Total other loans secured by collateral</b>	<b>29,043</b>	<b>565</b>	<b>3,516</b>	<b>6,301</b>	<b>39,425</b>
<b>Total retail loans</b>	<b>482,027</b>	<b>9,763</b>	<b>13,564</b>	<b>9,754</b>	<b>515,108</b>

**Analysis of credit quality for corporate customers**

The table below provides the credit quality analysis for corporate customers according to internal ratings as at 30 June 2024:

**30 June 2024 (unaudited)**

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>POCI</b>	<b>Total</b>
rated AA	15,317	–	–	–	15,317
rated A+	14,323	–	–	–	14,323
rated A	65,165	–	–	–	65,165
rated A-	4,785	–	–	–	4,785
rated BBB+	34,950	–	–	–	34,950
rated BBB	70,693	–	–	–	70,693
rated BBB-	27,417	–	–	–	27,417
rated BB+	36,721	–	–	–	36,721
rated BB	129,489	–	–	–	129,489
rated BB-	119,983	–	–	–	119,983
rated B	11,375	–	–	–	11,375
Default	–	–	873	–	873
Expected credit losses	(2,080)	–	–	–	(2,080)
	<b>528,138</b>	<b>–</b>	<b>873</b>	<b>–</b>	<b>529,011</b>

The table below provides the credit quality analysis for corporate customers according to internal ratings as at 31 December 2023:

**31 December 2023**

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>POCI</b>	<b>Total</b>
rated AAA	1,399	–	–	–	1,399
rated AA	18,823	–	–	–	18,823
rated A+	39,531	–	–	–	39,531
rated A	38,563	–	–	–	38,563
rated A-	6,579	–	–	–	6,579
rated BBB+	83,071	–	–	–	83,071
rated BBB	16,977	–	–	–	16,977
rated BBB-	12,395	–	–	–	12,395
rated BB+	44,699	–	–	–	44,699
rated BB	148,450	–	–	–	148,450
rated BB-	8,876	437	4,430	82	13,825
rated B	4,195	–	–	–	4,195
rated CCC-	1,347	–	–	–	1,347
Default	–	–	874	–	874
Expected credit losses	(2,737)	(17)	–	–	(2,754)
	<b>422,168</b>	<b>420</b>	<b>5,304</b>	<b>82</b>	<b>427,974</b>

*(in millions of tenge)***12 Loans to customers (continued)***Analysis of movements in allowance for ECL*

Analysis of movements in ECL for loans to legal entities of corporate business for the six-month period ended 30 June 2024 is as follows:

<i>Loans to CB</i>	<i>For the six-month period ended 30 June 2024 (unaudited)</i>				
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
<b>ECL at 1 January</b>	(2,737)	(17)	–	–	(2,754)
New assets originated or purchased	(2,179)	–	–	–	(2,179)
Assets derecognised or repaid (excluding write-offs)	1,333	–	646	–	1,979
Transfers to Stage 1	(17)	17	–	–	–
Impact on period end ECL of exposures transferred between stages and changes to inputs used for measuring ECL during the period	1,580	–	(1)	–	1,579
Unwinding of discount	–	–	(15)	–	(15)
Reversal of previously written-off amounts	–	–	(645)	–	(645)
Write-off	–	–	15	–	15
Foreign exchange adjustments	(60)	–	–	–	(60)
<b>At 30 June</b>	<b>(2,080)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(2,080)</b>

Analysis of movements in ECL for loans to legal entities of small and medium businesses for the six-month period ended 30 June 2024 is as follows:

<i>Loans to SMB</i>	<i>For the six-month period ended 30 June 2024 (unaudited)</i>				
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
<b>ECL at 1 January</b>	(3,895)	(443)	(9,002)	(1,281)	(14,621)
New assets originated or purchased	(1,607)	–	–	–	(1,607)
Assets derecognised or repaid (excluding write-offs)	2,324	879	2,200	57	5,460
Transfers to Stage 1	(402)	59	343	–	–
Transfers to Stage 2	941	(1,182)	241	–	–
Transfers to Stage 3	329	224	(553)	–	–
Impact on period end ECL of exposures transferred between stages and changes to inputs used for measuring ECL during the period	(1,214)	(1,475)	(1,237)	(1,030)	(4,956)
Unwinding of discount	–	–	(610)	–	(610)
Reversal of previously written-off amounts	–	–	(996)	(57)	(1,053)
Write-off	–	–	3,851	1,401	5,252
<b>At 30 June</b>	<b>(3,524)</b>	<b>(1,938)</b>	<b>(5,763)</b>	<b>(910)</b>	<b>(12,135)</b>

*(in millions of tenge)***12 Loans to customers (continued)***Analysis of movements in allowance for ECL (continued)*

Analysis of movements in ECL for loans to individuals for the six-month period ended 30 June 2024 is as follows:

<i>Loans to retail customers</i>	<i>For the six-month period ended 30 June 2024 (unaudited)</i>				
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
<b>ECL at 1 January</b>	<b>(13,567)</b>	<b>(8,492)</b>	<b>(42,432)</b>	<b>(8,397)</b>	<b>(72,888)</b>
New assets originated or purchased	(4,772)	–	–	–	(4,772)
Assets derecognised or repaid (excluding write-offs)	7,391	2,219	6,069	498	16,177
Transfers to Stage 1	(1,696)	971	725	–	–
Transfers to Stage 2	1,375	(2,098)	723	–	–
Transfers to Stage 3	886	5,951	(6,837)	–	–
Impact on period end ECL of exposures transferred between stages and changes to inputs used for measuring ECL during the period	(4,162)	(5,818)	(17,275)	(933)	(28,188)
Unwinding of discount	–	–	(5,388)	–	(5,388)
Reversal of previously written-off amounts	–	–	(1,246)	(405)	(1,651)
Write-off	–	–	17,626	7,635	25,261
Foreign exchange adjustments	–	–	(2)	–	(2)
<b>At 30 June</b>	<b>(14,545)</b>	<b>(7,267)</b>	<b>(48,037)</b>	<b>(1,602)</b>	<b>(71,451)</b>

Analysis of movements in ECL for loans to legal entities of corporate business for six-month period ended 30 June 2023 is as follows:

<i>Loans to CB</i>	<i>For the six-month period ended 30 June 2023 (unaudited)</i>				
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
<b>ECL at 1 January</b>	<b>(3,929)</b>	<b>(2)</b>	<b>(581)</b>	<b>(49)</b>	<b>(4,561)</b>
New assets originated or purchased	(848)	–	–	–	(848)
Assets derecognised or repaid (excluding write-offs)	163	–	1,448	–	1,611
Transfers to Stage 3	12	–	(12)	–	–
Impact on period end ECL of exposures transferred between stages and changes to inputs used for measuring ECL during the period	2,010	1	(324)	–	1,687
Unwinding of discount	–	–	(58)	–	(58)
Reversal of previously written-off amounts	–	–	(1,353)	–	(1,353)
Write-off	–	–	65	–	65
Foreign exchange adjustments	23	1	14	–	38
<b>At 30 June</b>	<b>(2,569)</b>	<b>–</b>	<b>(801)</b>	<b>(49)</b>	<b>(3,419)</b>

*(in millions of tenge)***12 Loans to customers (continued)***Analysis of movements in allowance for ECL (continued)*

Analysis of movements in ECL for loans to legal entities of small and medium businesses for the six-month period ended 30 June 2023 is as follows:

<b>Loans to SMB</b>	<b>For the six-month period ended 30 June 2023 (unaudited)</b>				
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>POCI</b>	<b>Total</b>
<b>ECL at 1 January</b>	(9,454)	(530)	(4,399)	(44)	(14,427)
New assets originated or purchased	(1,586)	–	–	–	(1,586)
Assets derecognised or repaid (excluding write-offs)	2,873	758	1,154	43	4,828
Transfers to Stage 1	(319)	251	68	–	–
Transfers to Stage 2	57	(87)	30	–	–
Transfers to Stage 3	432	121	(553)	–	–
Impact on period end ECL of exposures transferred between stages and changes to inputs used for measuring ECL during the period	4,590	(780)	(5,194)	(557)	(1,941)
Unwinding of discount	–	–	(550)	–	(550)
Reversal of previously written-off amounts	–	–	(578)	(27)	(605)
Write-off	–	–	526	567	1,093
Foreign exchange adjustments	4	–	15	6	25
<b>At 30 June</b>	<b>(3,403)</b>	<b>(267)</b>	<b>(9,481)</b>	<b>(12)</b>	<b>(13,163)</b>

<b>Loans to retail customers</b>	<b>For the six-month period ended 30 June 2023 (unaudited)</b>				
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>POCI</b>	<b>Total</b>
<b>ECL at 1 January</b>	(8,658)	(6,269)	(29,397)	(1,754)	(46,078)
New assets originated or purchased	(3,792)	–	–	(295)	(4,087)
Assets derecognised or repaid (excluding write-offs)	6,667	1,572	10,355	268	18,862
Transfers to Stage 1	(1,836)	1,355	481	–	–
Transfers to Stage 2	1,354	(1,590)	236	–	–
Transfers to Stage 3	1,157	4,094	(5,251)	–	–
Impact on period end ECL of exposures transferred between stages and changes to inputs used for measuring ECL during the period	(7,537)	(5,049)	(25,927)	(1,671)	(40,184)
Unwinding of discount	–	–	(4,264)	–	(4,264)
Reversal of previously written-off amounts	–	–	(2,974)	(161)	(3,135)
Write-off	–	–	6,412	1,484	7,896
Foreign exchange adjustments	29	–	18	15	62
<b>At 30 June</b>	<b>(12,616)</b>	<b>(5,887)</b>	<b>(50,311)</b>	<b>(2,114)</b>	<b>(70,928)</b>



(in millions of tenge)

## 12 Loans to customers (continued)

Analysis of movements allowance for ECL (continued)

The table below provides an analysis of movements for ECL for loans issued in the six-month period ended 30 June 2023 and 2024:

	<i>CB</i>	<i>SMB</i>	<i>Mortgage loans</i>	<i>Consumer loans and credit cards</i>	<i>Car loans</i>	<i>Other loans secured by collateral</i>	<i>Total loans to customers</i>
<b>At 1 January 2024</b>	<b>(2,754)</b>	<b>(14,621)</b>	<b>(3,765)</b>	<b>(54,643)</b>	<b>(455)</b>	<b>(14,025)</b>	<b>(90,263)</b>
New assets originated or purchased	(2,179)	(1,607)	(27)	(4,038)	(656)	(51)	(8,558)
Assets derecognised or repaid (excluding write-offs)	1,979	5,460	588	12,784	348	2,457	23,616
Impact on period end ECL of exposures transferred between stages and changes to inputs used for measuring ECL during the period	1,579	(4,956)	(1,767)	(25,518)	(60)	(843)	(31,565)
Unwinding of discount	(15)	(610)	(52)	(5,214)	(7)	(115)	(6,013)
Reversal of previously written-off amounts	(645)	(1,053)	(517)	(34)	(52)	(1,048)	(3,349)
Write-off	15	5,252	4,288	14,408	156	6,409	30,528
Foreign exchange adjustments	(60)	–	–	(2)	–	–	(62)
<b>At 30 June 2024</b>	<b>(2,080)</b>	<b>(12,135)</b>	<b>(1,252)</b>	<b>(62,257)</b>	<b>(726)</b>	<b>(7,216)</b>	<b>(85,666)</b>
<b>At 1 January 2023</b>	<b>(4,561)</b>	<b>(14,427)</b>	<b>(1,082)</b>	<b>(38,737)</b>	<b>(144)</b>	<b>(6,115)</b>	<b>(65,066)</b>
New assets originated or purchased	(848)	(1,586)	(314)	(3,307)	–	(466)	(6,521)
Assets derecognised or repaid (excluding write-offs)	1,611	4,828	1,751	14,723	87	2,301	25,301
Impact on period end ECL of exposures transferred between stages and changes to inputs used for measuring ECL during the period	1,687	(1,941)	(2,262)	(26,376)	(117)	(11,429)	(40,438)
Unwinding of discount	(58)	(550)	(57)	(3,804)	(9)	(394)	(4,872)
Reversal of previously written-off amounts	(1,353)	(605)	(1,360)	(50)	(49)	(1,676)	(5,093)
Write-off	65	1,093	895	3,226	40	3,735	9,054
Foreign exchange adjustments	38	25	7	4	–	51	125
<b>At 30 June 2023</b>	<b>(3,419)</b>	<b>(13,163)</b>	<b>(2,422)</b>	<b>(54,321)</b>	<b>(192)</b>	<b>(13,993)</b>	<b>(87,510)</b>

(in millions of tenge)

## 12 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 10.50% depending on the borrower's internal rating according to the renewed rating model.
- LGD on loans allocated to Stage 1 ranged from 8% to 27%.

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 17.27%, the weighted-average lifetime PD allocated to Stage 2 ranged from 0.01% to 90.63% depending on the product group of the homogeneous portfolio.
- LGD on loans allocated to Stage 1 varied from 4% to 49%, LGD on loans allocated to Stage 2 was from 9% to 45%.

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, 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 27.71%, the weighted-average lifetime PD allocated to Stage 2 ranged from 0.01% to 95.81% depending on the product group of the homogeneous retail portfolio.
- LGD on loans allocated to Stages 1 and 2 varied from 27% to 84%.

### 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)

## 12 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 30 June 2024, Stage 3 and POCI loans to customers net of allowance for ECL amount to 35,468 million (as at 31 December 2023: 36,101 million tenge). As at 30 June 2024, total fair value of collateral securing such loans, limited to the gross value of the respective loans, was equal to 36,541 million tenge (31 December 2023: 51,901 million tenge).

### *Repossessed collateral*

For the six-month period ended 30 June 2024, the Group received a property with the carrying amount of 1,243 million tenge (six-month period ended 30 June 2023: 653 million tenge) by obtaining control over collateral for loans issued to customers. The Group's policy assumes sale of these assets as soon as it is practicable.

### Concentration of loans to customers

As at 30 June 2024, the Group had a concentration of loans represented by 409,985 million tenge due from the ten largest groups of interrelated borrowers or 24.26% 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 1,628 million tenge (31 December 2023: 1,373 million tenge).

*(in millions of tenge)***12 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>30 June 2024</i> <i>(unaudited)</i>	<i>31 December</i> <i>2023</i>
Loans to retail customers	655,066	587,996
Metallurgy	233,634	161,602
Wholesale trading	129,579	133,381
Services provided by small and medium businesses	110,943	96,162
Financial services	89,531	78,902
Retail services	65,720	61,733
Transportation	64,106	43,872
Chemical industry	61,906	60,031
Construction	52,877	39,749
Real estate activities	50,927	47,078
Food industry	44,125	45,177
Post and communication services	17,284	12,315
Agriculture	14,935	13,498
Manufacturing	11,768	10,432
Textile production	9,983	7,117
Metal products manufacturing	4,677	5,194
Oil and gas	3,017	1,456
Other	69,929	62,068
	<b>1,690,007</b>	<b>1,467,763</b>
Allowance for ECL	<b>(85,666)</b>	<b>(90,263)</b>
	<b>1,604,341</b>	<b>1,377,500</b>

The following table shows the expected maturities of loans to customers as at 30 June 2024 and 31 December 2023:

Loans to customers	<i>Less than 1</i>			<i>Total</i>
	<i>year</i>	<i>Over 1 year</i>	<i>Overdue</i>	
<b>30 June 2024 (unaudited)</b>	<b>776,571</b>	<b>816,358</b>	<b>11,412</b>	<b>1,604,341</b>
<b>31 December 2023</b>	<b>632,128</b>	<b>732,679</b>	<b>12,693</b>	<b>1,377,500</b>

*(in millions of tenge)***13 Investment securities**

Investment securities are represented by securities measured at amortized cost and securities measured at FVOCI:

	<i>30 June 2024</i> <i>(unaudited)</i>	<i>31 December</i> <i>2023</i>
<b>Investment securities</b>		
Securities measured at amortized cost	301,738	288,695
Securities measured at FVOCI	1,164,365	664,959
	<b>1,466,103</b>	<b>953,654</b>
Investment securities measured at FVOCI, including those pledged under repurchase agreements comprise:		
	<i>30 June 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+	13,939	13,610
Bonds of the National Bank of the Republic of Kazakhstan	95,945	–
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan rated BBB-	971,634	543,583
<b>Total government bonds</b>	<b>1,081,518</b>	<b>557,193</b>
<b>Corporate bonds</b>		
Rated from BBB- to BBB+	41,459	67,206
Rated from BB- to BB+	23,687	22,658
Rated from B- to B+	–	2,027
<b>Total corporate bonds</b>	<b>65,146</b>	<b>91,891</b>
<b>Bonds of banks</b>		
Rated from BBB- to BBB+	1,208	12,131
Rated from BB- to BB+	7,427	3,120
Not rated	8,711	285
<b>Total bonds of banks</b>	<b>17,346</b>	<b>15,536</b>
<b>Investments in equity instruments</b>		
Corporate shares	355	339
<b>Total investments in equity instruments</b>	<b>355</b>	<b>339</b>
<b>Investment securities measured at FVOCI</b>	<b>1,164,365</b>	<b>664,959</b>

The following table provides information on the credit quality of debt instruments measured at fair value through other comprehensive income as at 30 June 2024 and 31 December 2023.

Investment securities at FVOCI	30 June 2024 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total
Rated from AA- to AA+	13,939	–	–	13,939
Rated from BBB- to BBB+	1,110,246	–	–	1,110,246
Rated from BB- to BB+	13,426	17,688	–	31,114
Not rated	–	8,711	–	8,711
<b>Investment securities at FVOCI</b>	<b>1,137,611</b>	<b>26,399</b>	<b>–</b>	<b>1,164,010</b>
Investment securities at FVOCI	31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
Rated from AA- to AA+	13,610	–	–	13,610
Rated from BBB- to BBB+	622,920	–	–	622,920
Rated from BB- to BB+	8,961	16,817	–	25,778
Rated below B+	–	2,027	–	2,027
Not rated	–	285	–	285
<b>Investment securities at FVOCI</b>	<b>645,491</b>	<b>19,129</b>	<b>–</b>	<b>664,620</b>

*(in millions of tenge)***13 Investment securities (continued)**

The following table shows the expected maturities of investment securities at FVOCI as at 30 June 2024 and 31 December 2023:

Investment securities at FVOCI	<i>Less than 1 year</i>	<i>Over 1 year</i>	<i>Overdue</i>	<i>Total</i>
<b>30 June 2024 (unaudited)</b>	<b>1,164,365</b>	–	–	<b>1,164,365</b>
<b>31 December 2023</b>	662,344	2,615	–	664,959

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 30 June 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 419,195 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.

**14 Current accounts and deposits of customers**

Current accounts and deposits of customers comprise:

	<i>30 June 2024 (unaudited)</i>	<i>31 December 2023</i>
<b>Current accounts and demand deposits</b>		
- Retail customers	138,253	145,682
- Corporate customers	585,933	560,584
<b>Term deposits</b>		
- Retail customers	750,812	701,834
- Corporate customers	858,894	747,627
<b>Guarantee deposits</b>		
- Retail customers	35,910	34,721
- Corporate customers	92,784	70,575
	<b>2,462,586</b>	<b>2,261,023</b>
<b>Held as security against letters of credit and guarantees (Note 20)</b>	<b>(1,504)</b>	<b>(452)</b>

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

As at 30 June 2024, total amount of account balances of top 10 clients amounted to 362,614 million tenge or 14.72% of total current accounts and deposits of customers (31 December 2023: 277,877 million tenge or 12.29%).

As at 30 June 2024, the Group's outstanding balance of accounts and deposits of individuals and individual entrepreneurs amounted to 367,921 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.

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

Amounts due to banks and other financial organizations comprise:

	<i>30 June 2024 (unaudited)</i>	<i>31 December 2023</i>
Loans from governmental organizations	67,804	54,549
Liabilities due to Kazakhstan Sustainability Fund JSC	14,271	13,835
	<b>82,075</b>	<b>68,384</b>

*(in millions of tenge)***15 Amounts due to banks and other financial institutions (continued)**

As at 30 June 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 46,604 million tenge, 10,711 million tenge and 10,466 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.

During the six-month period ending June 30, 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.

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 30 June 2024 and 31 December 2023.

**16 Accounts payable under repurchase agreements**

As of June 30, 2024, the Group has accounts payable under repurchase agreements in the amount of 416,951 million tenge, for which investment securities with a total fair value of 419,195 million tenge act as collateral (treasury bonds of the Ministry of Finance of the Republic of Kazakhstan) (*Note 13*).

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 13*).

**17 Share capital**

The number of authorized, placed and outstanding ordinary shares and share capital as at 30 June 2024 and 31 December 2023 are as follows:

	<i>30 June 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>

In accordance with the resolution of the shareholders dated 17 April 2024, the Bank declared dividends on ordinary shares for the year ended 31 December 2023, in the amount of 58,215 million tenge, at the rate of 0.6436 tenge per ordinary share. As of 30 June 2024, Bank paid dividends in the amount of 58,208 million tenge. In accordance with the resolution of the shareholders dated 2 May 2023, the Bank declared and paid dividends on ordinary shares for the year ended 31 December 2022, in the amount of 49,034 million tenge, at the rate of 0.5421 tenge per ordinary share.

*(in millions of tenge)***18 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 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Net profit attributable to shareholders of the Bank	40,194	29,909	74,765	57,346
Weighted average number of ordinary shares	90,452,669,892	90,452,669,892	90,452,669,892	90,452,669,892
Basic and diluted earnings per ordinary share in tenge	0.44	0.33	0.83	0.63

As at 30 June 2024 and 30 June 2023, the Bank did not have any financial instruments diluting earnings per share.

**19 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 30 June 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 30 June 2024 and 31 December 2023:

	<i>30 June 2024 (unaudited)</i>	<i>31 December 2023</i>
Tier 1 capital	420,237	406,750
Tier 2 capital	6,387	8,145
<b>Total equity</b>	<b>426,624</b>	<b>414,895</b>
<b>Total risk-weighted statutory assets, contingent liabilities, operational and market risk</b>	<b>2,102,123</b>	<b>1,953,598</b>
Ratio k1	20.0%	20.8%
Ratio k1-2	20.0%	20.8%
Ratio k2	20.3%	21.2%



*(in millions of tenge)*

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

### 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>30 June 2024</i> <i>(unaudited)</i>	<i>31 December</i> <i>2023</i>
Credit related commitments	485,653	503,298
Guarantees issued	157,130	105,329
Letters of credit	3,558	1,745
	<b>646,341</b>	610,372
Less: current accounts and deposits of customers, held as collateral under letters of credit and guarantees ( <i>Note 14</i> )	<b>(1,504)</b>	(452)
Less: allowance for ECL	<b>(1,307)</b>	(1,092)
	<b>643,530</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 refinance 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)***21 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 six-month periods ended 30 June 2024 and 2023 is as follows:

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Members of the Board of Directors and Management Board	945	1,131	1,882	2,367
	945	1,131	1,882	2,367

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

As of June 30, 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 3,064 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 30 June 2024 and related profit or loss for the three-month and six-month ended 30 June 2024 from transactions with related parties are as follows:

	<i>30 June 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>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>	<i>In millions of tenge</i>	<i>In millions of tenge</i>	
<b>Assets</b>							
Loans to customers	–	–	–	–	15,994	17.58	15,994
Other assets	–	–	78	–	111	–	189
<b>Liabilities</b>							
Current accounts and deposits of customers	16,949	1.00	37,085	12.34%	36,904	11.03%	90,938
Other liabilities	–	–	71	–	101	–	172
Contingent liabilities	–	–	–	–	23,576	–	23,576
Guarantee issued	–	–	–	–	7,605	–	7,605

	<i>For the three-month period ended 30 June 2024 (unaudited)</i>					
	<i>Shareholders</i>		<i>Entities under common control</i>		<i>Other related parties</i>	<i>Total</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>Income/(expenses)</b>						
Interest revenue	–	–	–	–	636	636
Interest expense	–	(37)	–	(599)	(633)	(1,269)
General and administrative expenses	–	–	–	(768)	(115)	(883)
Fee and commission income	–	2	–	20	21	43
Fee and commission expense	–	–	–	4	–	4
Other income	–	–	–	–	217	217
Other expenses	–	–	–	–	(152)	(152)

*(in millions of tenge)***21 Related party transactions (continued)****Transactions with other related parties (continued)**

	<i>For the six-month period ended 30 June 2024 (unaudited)</i>				
	<i>Shareholders</i>	<i>Entities under common control</i>		<i>Other related parties</i>	<i>Total</i>
<b>Income/(expenses)</b>					
Interest revenue	–	–	1,290	1,290	
Interest expense	(51)	(1,208)	(943)	(2,202)	
General and administrative expenses	–	(2,952)	(240)	(3,192)	
Fee and commission income	3	36	42	81	
Fee and commission expense	–	(4)	–	(4)	
Other income	–	–	364	364	
Other expenses	–	–	(246)	(246)	

As at 31 December 2023, the outstanding balances and the average effective interest rates and related profit or loss for the three-month and six-month period ended 30 June 2023 from transactions with related parties are as follows:

	<i>31 December 2023</i>						
	<i>Shareholders</i>	<i>Entities under common control</i>				<i>Other related parties</i>	<i>Total</i>
		<i>Average effective interest rate, (%)</i>	<i>Average effective interest rate, (%)</i>	<i>Average effective interest rate, (%)</i>	<i>Average 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	–	–	–	–	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

	<i>Fr the three-month period ended 30 June 2023 (unaudited)</i>				
	<i>Shareholders</i>	<i>Entities under common control</i>		<i>Other related parties</i>	<i>Total</i>
<b>Income/( expenses)</b>					
Interest revenue	–	–	323	323	
Interest expense	(50)	(539)	(232)	(821)	
General and administrative expenses	–	(1,934)	(146)	(2,080)	
Fee and commission income	–	1	–	1	
Fee and commission expense	–	(109)	–	(109)	
Other expenses	–	(8)	(115)	(123)	

	<i>Fr the six-month period ended 30 June 2023 (unaudited)</i>				
	<i>Shareholders</i>	<i>Entities under common control</i>		<i>Other related parties</i>	<i>Total</i>
<b>Income/( expenses)</b>					
Interest revenue	–	–	723	723	
Interest expense	(78)	(946)	(457)	(1,481)	
General and administrative expenses	–	(2,677)	(266)	(2,943)	
Fee and commission income	–	3	2	5	
Fee and commission expense	–	(230)	–	(230)	
Other expenses	–	(34)	(115)	(149)	

*(in millions of tenge)*

## 22 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)***22 Segment information (continued)**

	<i>30 June 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	348	19,802	35,762	378,132	106,173	540,217
Amounts due from financial institutions	11,955	5,801	359	23,858	439	42,412
Securities measured at fair value through profit or loss	–	–	–	2,609	–	2,609
Loans to customers	528,206	468,718	576,878	–	30,539	1,604,341
Investment securities	–	–	–	1,466,103	–	1,466,103
Property, plant and equipment	–	–	–	–	54,819	54,819
Intangible assets	–	–	–	–	16,369	16,369
Other assets	54	1,290	273	424	41,355	43,396
<b>Total assets</b>	<b>540,563</b>	<b>495,611</b>	<b>613,272</b>	<b>1,871,126</b>	<b>249,694</b>	<b>3,770,266</b>
<b>Liabilities</b>						
Current accounts and deposits of customers	795,216	737,400	929,970	–	–	2,462,586
Amounts due to banks and other financial institutions	16,379	39,795	14,303	74	11,524	82,075
Amounts payable under repurchase agreements	–	–	–	416,951	–	416,951
Debt securities issued	–	–	18,234	215,561	51,047	284,842
Deferred tax liabilities	–	–	–	–	13,925	13,925
Subordinated debt	–	–	–	–	14,389	14,389
Other liabilities	49	354	11,267	17	37,036	48,723
<b>Total liabilities</b>	<b>811,644</b>	<b>777,549</b>	<b>973,774</b>	<b>632,603</b>	<b>127,921</b>	<b>3,323,491</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	–	–	–	–	(5,627)	(5,627)
Accumulated losses	–	–	–	–	99,401	99,401
<b>Total equity attributable to shareholders of the Bank</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>446,775</b>	<b>446,775</b>

*(in millions of tenge)***22 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	423,696	416,983	510,484	–	26,337	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>427,652</b>	<b>440,027</b>	<b>557,765</b>	<b>1,588,526</b>	<b>239,205</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)***22 Segment information (continued)**

Information on the main reporting segments for the three-month and six-month period ended 30 June 2024 and 2023 is presented as follows:

	<i>For the three-month period ended 30 June 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	16,463	21,093	37,987	49,974	2,474	–	127,991
Transfer income	20,698	18,453	23,625	20,103	3,149	(86,028)	
Interest expense	(16,205)	(9,928)	(17,756)	(19,702)	(1,414)	–	(65,005)
Transfer expenses	(10,726)	(12,872)	(16,109)	(50,012)	3,786	85,933	
<b>Net interest income</b>	<b>10,230</b>	<b>16,746</b>	<b>27,747</b>	<b>363</b>	<b>7,995</b>	<b>(95)</b>	<b>62,986</b>
Fee and commission income	624	5,313	2,770	29	25	–	8,761
Fee and commission expense	(167)	(1,316)	(1,634)	(93)	(4)	–	(3,214)
Net gain on financial instruments at fair value through profit or loss	–	–	–	5,363	–	–	5,363
Net gain from derecognition of investment securities measured at fair value through other comprehensive income	–	–	–	83	–	–	83
Net gains/(loss) from foreign currencies	2,145	4,006	2,225	(5,347)	10	–	3,039
Dividend received	–	–	–	494	–	–	494
Other (expense)/income	444	582	(428)	14	(91)	–	521
<b>Non-interest income</b>	<b>3,046</b>	<b>8,585</b>	<b>2,933</b>	<b>543</b>	<b>(60)</b>	<b>–</b>	<b>15,047</b>
Reversal of allowances on expected credit loss/Credit loss expense	270	(3,654)	(11,245)	(570)	1,788	–	(13,411)
Net loss on derecognition of financial assets measured at amortized cost	–	–	(109)	–	(211)	–	(320)
General and administrative expenses	(1,237)	(5,896)	(9,642)	(433)	(2,255)	–	(19,463)
Other expenses	(51)	(392)	(631)	(46)	(664)	–	(1,784)
<b>Non-interest expense</b>	<b>(1,018)</b>	<b>(9,942)</b>	<b>(21,627)</b>	<b>(1,049)</b>	<b>(1,342)</b>	<b>–</b>	<b>(34,978)</b>
<b>Other transfer income and expenses</b>	<b>165</b>	<b>(710)</b>	<b>(180)</b>	<b>8,491</b>	<b>(7,861)</b>	<b>95</b>	<b>–</b>
<b>Profit/(loss) before corporate income tax expense</b>	<b>12,423</b>	<b>14,679</b>	<b>8,873</b>	<b>8,348</b>	<b>(1,268)</b>	<b>–</b>	<b>43,055</b>
Corporate income tax expense	(861)	(884)	(571)	(545)	–	–	(2,861)
<b>Profit/(loss) for the period</b>	<b>11,562</b>	<b>13,795</b>	<b>8,302</b>	<b>7,803</b>	<b>(1,268)</b>	<b>–</b>	<b>40,194</b>

*(in millions of tenge)***22 Segment information (continued)**

	<i>For the six-month period ended 30 June 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	30,999	40,487	74,360	95,860	4,334	–	246,040
Transfer income	40,705	37,726	47,032	33,590	7,346	(166,399)	–
Interest expense	(33,033)	(19,665)	(35,466)	(32,951)	(3,699)	–	(124,814)
Transfer expenses	(20,879)	(25,041)	(31,324)	(95,675)	(256)	173,175	–
<b>Net interest income</b>	<b>17,792</b>	<b>33,507</b>	<b>54,602</b>	<b>824</b>	<b>7,725</b>	<b>6,776</b>	<b>121,226</b>
Fee and commission income	1,160	9,980	5,585	41	63	–	16,829
Fee and commission expense	(329)	(2,684)	(3,337)	(162)	(9)	–	(6,521)
Net gain on financial instruments at fair value through profit or loss	–	–	–	5,147	–	–	5,147
Net gain from derecognition of investment securities measured at fair value through other comprehensive income	–	–	–	98	–	–	98
Net gains/(losses) from foreign currencies	3,404	7,366	3,343	(4,655)	10	–	9,468
Dividend received	–	–	–	494	–	–	494
Other income/(expenses)	301	947	(80)	17	258	–	1,443
<b>Non-interest income</b>	<b>4,536</b>	<b>15,609</b>	<b>5,511</b>	<b>980</b>	<b>322</b>	<b>–</b>	<b>26,958</b>
Reversal of allowances on expected credit loss/Credit loss expense	1,156	(2,440)	(17,687)	(836)	2,275	–	(17,532)
Net loss on derecognition of financial assets measured at amortized cost	–	–	(124)	–	(422)	–	(546)
Net loss on derecognition of financial liability as a result of modification	–	–	(3,593)	–	–	–	(3,593)
General and administrative expenses	(2,454)	(11,957)	(19,264)	(868)	(6,790)	–	(41,333)
Other expenses	(52)	(471)	(1,448)	(74)	(1,184)	–	(3,229)
<b>Non-interest expense</b>	<b>(1,350)</b>	<b>(14,868)</b>	<b>(42,116)</b>	<b>(1,778)</b>	<b>(6,121)</b>	<b>–</b>	<b>(66,233)</b>
<b>Other transfer income and expenses</b>	<b>298</b>	<b>(1,455)</b>	<b>(292)</b>	<b>16,231</b>	<b>(8,006)</b>	<b>(6,776)</b>	<b>–</b>
<b>Profit/(loss) before corporate income tax expense</b>	<b>21,276</b>	<b>32,793</b>	<b>17,705</b>	<b>16,257</b>	<b>(6,080)</b>	<b>–</b>	<b>81,951</b>
Corporate income tax expense	(1,737)	(2,677)	(1,445)	(1,327)	–	–	(7,186)
<b>Profit/(loss) for the period</b>	<b>19,539</b>	<b>30,116</b>	<b>16,260</b>	<b>14,930</b>	<b>(6,080)</b>	<b>–</b>	<b>74,765</b>



*(in millions of tenge)***22 Segment information (continued)**

	<i>For the three-month period ended 30 June 2023 (unaudited)</i>						
	<i>CB</i>	<i>SMB</i>	<i>RB</i>	<i>Investing activities</i>	<i>Other</i>	<i>Eliminatio n</i>	<i>Total</i>
Interest income	11,394	15,026	31,463	28,217	1,630	–	87,730
Transfer income	16,142	14,887	17,169	10,808	3,896	(62,902)	–
Interest expense	(11,724)	(5,808)	(11,934)	(10,529)	(2,150)	–	(42,145)
Transfer expenses	(8,174)	(9,841)	(12,777)	(28,069)	(398)	59,259	–
<b>Net interest income</b>	<b>7,638</b>	<b>14,264</b>	<b>23,921</b>	<b>427</b>	<b>2,978</b>	<b>(3,643)</b>	<b>45,585</b>
Fee and commission income	678	5,187	3,101	7	34	–	9,007
Fee and commission expense	(313)	(1,400)	(1,724)	(46)	(7)	–	(3,490)
Net loss on financial instruments at fair value through profit or loss	–	–	–	(323)	–	–	(323)
Net loss on derecognition of investment securities measured at fair value through other comprehensive income	–	–	–	(17)	–	–	(17)
Net gains from foreign currencies	1,487	4,342	1,243	924	275	–	8,271
Dividend received	–	–	–	302	–	–	302
Other income/(expense)	(360)	301	(427)	(3)	2,700	–	2,211
<b>Non-interest income</b>	<b>1,492</b>	<b>8,430</b>	<b>2,193</b>	<b>844</b>	<b>3,002</b>	<b>–</b>	<b>15,961</b>
Credit loss expense/ Reversal of allowances on expected credit loss	(270)	921	(12,540)	57	811	–	(11,021)
Net gain/(loss) on derecognition of financial assets measured at amortized cost	–	–	444	–	(1,230)	–	(786)
General and administrative expenses	(1,062)	(4,914)	(8,457)	(420)	(4,299)	–	(19,152)
Other (expenses)/income	(11)	57	(618)	(20)	(536)	–	(1,128)
<b>Non-interest expense</b>	<b>(1,343)</b>	<b>(3,936)</b>	<b>(21,171)</b>	<b>(383)</b>	<b>(5,254)</b>	<b>–</b>	<b>(32,087)</b>
<b>Other transfer income and expenses</b>	<b>145</b>	<b>(628)</b>	<b>(170)</b>	<b>1,143</b>	<b>(4,133)</b>	<b>3,643</b>	<b>–</b>
<b>Profit/(loss) before corporate income tax benefit</b>	<b>7,932</b>	<b>18,130</b>	<b>4,773</b>	<b>2,031</b>	<b>(3,407)</b>	<b>–</b>	<b>29,459</b>
Corporate income tax benefit	102	244	69	35	–	–	450
<b>Profit/(loss) for the period</b>	<b>8,034</b>	<b>18,374</b>	<b>4,842</b>	<b>2,066</b>	<b>(3,407)</b>	<b>–</b>	<b>29,909</b>

*(in millions of tenge)***22 Segment information (continued)**

	<i>For the six-month period ended 30 June 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	21,352	28,904	59,932	56,855	3,294	–	170,337
Transfer income	31,642	30,352	32,502	23,453	8,213	(126,162)	–
Interest expense	(23,097)	(12,058)	(22,919)	(20,657)	(4,239)	–	(82,970)
Transfer expenses	(15,364)	(18,567)	(24,056)	(55,805)	(819)	114,611	–
<b>Net interest income</b>	<b>14,533</b>	<b>28,631</b>	<b>45,459</b>	<b>3,846</b>	<b>6,449</b>	<b>(11,551)</b>	<b>87,367</b>
Fee and commission income	1,382	9,863	6,064	16	63	–	17,388
Fee and commission expense	(668)	(2,789)	(3,389)	(85)	(15)	–	(6,946)
Net loss on financial instruments at fair value through profit or loss	–	–	–	(394)	–	–	(394)
Net gain on derecognition of investment securities measured at fair value through other comprehensive income	–	–	–	122	–	–	122
Net gains from foreign currencies	3,504	8,933	2,455	2,157	484	–	17,533
Dividend received	–	–	–	302	–	–	302
Other (expense)/income	(263)	343	(450)	(3)	3,873	–	3,500
<b>Non-interest income</b>	<b>3,955</b>	<b>16,350</b>	<b>4,680</b>	<b>2,115</b>	<b>4,405</b>	<b>–</b>	<b>31,505</b>
Credit loss expense/ Reversal of allowances on expected credit loss	(484)	696	(23,566)	(376)	978	–	(22,752)
Net loss on derecognition of financial assets measured at amortized cost	–	–	(203)	–	(1,473)	–	(1,676)
General and administrative expenses	(2,159)	(9,544)	(15,681)	(1,584)	(6,533)	–	(35,501)
Other expenses	(5)	(98)	(1,809)	(45)	(897)	–	(2,854)
<b>Non-interest expense</b>	<b>(2,648)</b>	<b>(8,946)</b>	<b>(41,259)</b>	<b>(2,005)</b>	<b>(7,925)</b>	<b>–</b>	<b>(62,783)</b>
<b>Other transfer income and expenses</b>	<b>249</b>	<b>(1,025)</b>	<b>(400)</b>	<b>(1,022)</b>	<b>(9,353)</b>	<b>11,551</b>	<b>–</b>
<b>Profit/(loss) before corporate income tax benefit</b>	<b>16,089</b>	<b>35,010</b>	<b>8,480</b>	<b>2,934</b>	<b>(6,424)</b>	<b>–</b>	<b>56,089</b>
Corporate income tax benefit	320	695	168	74	–	–	1,257
<b>Profit/(loss) for the period</b>	<b>16,409</b>	<b>35,705</b>	<b>8,648</b>	<b>3,008</b>	<b>(6,424)</b>	<b>–</b>	<b>57,346</b>

*(in millions of tenge)***23 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 30 June 2024:

	<i>30 June 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	–	540,217	540,217	540,217	–
Amounts due from financial institutions	–	42,412	42,412	42,412	–
Securities measured at fair value through profit or loss	2,609	–	2,609	2,609	–
Loans to customers	–	1,604,341	1,604,341	1,637,016	32,675
Investment securities measured at FVOCI	1,164,365	–	1,164,365	1,164,365	–
Investment securities measured at amortized cost	–	301,738	301,738	296,278	(5,460)
Other financial assets	–	10,624	10,624	10,624	–
	<b>1,166,974</b>	<b>2,499,332</b>	<b>3,666,306</b>	<b>3,693,521</b>	<b>27,215</b>
Current accounts and deposits from customers	–	2,462,586	2,462,586	2,463,626	(1,040)
Amounts due to banks and other financial institutions	–	82,075	82,075	71,171	10,904
Amounts payable under repurchase agreements	–	416,951	416,951	416,951	–
Debt securities issued	–	284,842	284,842	278,562	6,280
Subordinated debt	–	14,389	14,389	11,621	2,768
Other financial liabilities	–	43,989	43,989	43,989	–
	–	<b>3,304,832</b>	<b>3,304,832</b>	<b>3,285,920</b>	<b>18,912</b>
					<b>46,127</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)

## 23 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 2,609 million tenge (31 December 2023: 3,016 million tenge) and investment securities measured at FVOCI with carrying amount of 1,164,365 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 8.06% to 19.82% 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 2.56% to 28.10% 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 5.16% to 14.34% 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 discount rate in the range from 0.7% to 15.3% was used to calculate the future cash flows from current accounts and deposits of customers, denominated in currency and tenge (31 December 2023: 0.6% to 15.2%);
- The discount rate in the range from 3.13% to 18.82% 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)***23 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 30 June 2024, by fair value hierarchy, into which the fair value measurement is categorized.

	<i>Note</i>	<i>30 June 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		290	47	2,272	2,609
Investment securities measured at FVOCI	13	915,680	248,685	–	1,164,365
		<u>915,970</u>	<u>248,732</u>	<u>2,272</u>	<u>1,166,974</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	13	472,351	192,608	–	664,959
		<u>473,022</u>	<u>192,681</u>	<u>2,272</u>	<u>667,975</u>

As at 30 June 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 33,598 million tenge and 190,073 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 30 June 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)***23 Fair value of financial instruments (continued)****Fair value hierarchy (continued)**

The following table analyses financial instruments not measured at fair value as at 30 June 2024, by fair value hierarchy, into which the fair value measurement is categorized:

	<i>30 June 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	–	540,217	–	540,217	540,217
Amounts due from financial institutions	–	42,412	–	42,412	42,412
Loans to customers	–	1,565,186	71,830	1,637,016	1,604,341
Investment securities measured at amortized cost	30,263	20,408	245,607	296,278	301,738
Other financial assets	–	10,624	–	10,624	10,624
<b>Liabilities</b>					
Current accounts and deposits of customers	–	2,463,626	–	2,463,626	–
Amounts due to banks and other financial institutions	–	71,171	–	71,171	82,075
Amounts payable under repurchase agreements	–	416,951	–	416,951	416,951
Debt securities issued	–	278,562	–	278,562	284,842
Subordinated debt	–	11,621	–	11,621	14,389
Other financial liabilities	–	43,989	–	43,989	43,989

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

**24 Subsequent events**

On 8 August 2024 the Group repurchased issued bonds for an aggregate nominal value of 3,300 thousand US dollars (the equivalent to 1,570 million tenge).