



JSC HALYK BANK

Interim condensed consolidated
financial information (unaudited)
for the three months ended 31 March 2024

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**Statement of Management's Responsibilities
for the Preparation and Approval
of the Interim Condensed Consolidated Financial Information
for the Three Months ended 31 March 2024 (unaudited)**

Management is responsible for the preparation of the interim condensed consolidated financial information that presents fairly the financial position of JSC Halyk Bank (the "Bank") and its subsidiaries (collectively – the "Group") as at 31 March 2024, and the related interim condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the three months then ended, in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34").

In preparing the interim condensed consolidated financial information, management is responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IAS 34 are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's consolidated financial position and financial performance; and
- Making an assessment of the Group's ability to continue as a going concern.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- Maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the consolidated financial position of the Group, and which enable them to ensure that the interim condensed consolidated financial information of the Group comply with IAS 34;
- Maintaining accounting records in compliance with the Republic of Kazakhstan legislation;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- Preventing and detecting fraud and other irregularities.

The interim condensed consolidated financial information of the Group for the three months ended 31 March 2024 was authorized for issue by the Management Board on 15 May 2024.

On behalf of the Management Board:

Murat U. Koshenov
Deputy Chairperson of the Board

15 May 2024
Almaty, Kazakhstan



Dana S. Talzhanova
Chief Accountant

15 May 2024
Almaty, Kazakhstan



REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To the Shareholders and Board of Directors of JSC Halyk Bank

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of JSC Halyk Bank and its subsidiaries (the "Group") as at 31 March 2024 and the related interim condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the three months then ended, and selected explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Deloitte LLP

15 May 2024
Almaty, Republic of Kazakhstan

Interim Condensed Consolidated Statement of Financial Position
as at 31 March 2024 (unaudited)
(millions of Kazakhstani Tenge)

	Notes	31 March 2024 (unaudited)	31 December 2023
ASSETS			
Cash and cash equivalents	5	1,626,229	1,377,315
Obligatory reserves		247,282	244,866
Financial assets at fair value through profit or loss	6	619,773	589,362
Amounts due from credit institutions	7	154,033	171,754
Financial assets at fair value through other comprehensive income	8	2,516,914	2,425,902
Debt securities at amortized cost, net of allowance for expected credit losses	9	722,797	725,343
Loans to customers	10, 33	9,299,292	9,284,872
Investment property		54,579	47,326
Commercial property		71,978	74,882
Current income tax assets		3,802	7,956
Deferred income tax assets		471	351
Property and equipment and intangible assets		233,213	226,170
Insurance contract assets	12	8,130	10,289
Reinsurance contract assets		35,458	22,776
Other assets	13	191,186	173,662
Total assets before assets classified as held for sale		15,785,137	15,382,826
Assets classified as held for sale	11	125,807	111,542
TOTAL ASSETS		15,910,944	15,494,368
LIABILITIES AND EQUITY			
LIABILITIES			
Amounts due to customers	14, 33	11,211,283	10,929,504
Amounts due to credit institutions	15	669,815	778,311
Financial liabilities at fair value through profit or loss	6	3,894	4,202
Debt securities issued	16, 33	655,735	653,393
Current income tax liability		7,572	946
Deferred tax liability		47,235	59,799
Provisions	20	8,633	11,695
Insurance contract liabilities	12	303,973	273,065
Reinsurance contract liabilities		5,720	5,321
Other liabilities	18	254,446	242,756
Total liabilities before liabilities directly attributable to assets held for sale		13,168,306	12,958,992
Liabilities directly attributable to assets held for sale	11	78,168	58,422
Total liabilities		13,246,474	13,017,414
EQUITY			
Share capital	19	209,027	209,027
Share premium reserve		8,688	8,667
Treasury shares	19	(258,407)	(258,514)
Retained earnings and other reserves		2,705,152	2,517,764
Total equity attributable to owners of the Group		2,664,460	2,476,944
Non-controlling interest		10	10
Total equity		2,664,470	2,476,954
TOTAL LIABILITIES AND EQUITY		15,910,944	15,494,368

On behalf of the Management Board:

Murat U. Koshenov
 Deputy Chairperson of the Board

15 May 2024
 Almaty, Kazakhstan

Dana S. Talzhanova
 Chief Accountant

15 May 2024
 Almaty, Kazakhstan

The notes on pages 10 to 76 form an integral part of this interim condensed consolidated financial information.

**Interim Condensed Consolidated Statement of Profit or Loss
for the Three Months ended 31 March 2024 (unaudited)**
(millions of Kazakhstani Tenge, except for earnings per share which is in Tenge)

	Notes	Three months ended 31 March 2024 (unaudited)	Three months ended 31 March 2023 (unaudited) (restated)*
Interest income calculated using the effective interest method	21, 33	484,441	372,267
Other interest income	21	11,813	8,002
Interest expense	21, 33	(242,018)	(188,177)
NET INTEREST INCOME BEFORE CREDIT LOSS EXPENSE	21	254,236	192,092
Expected credit loss expense	5, 7, 9, 10	(22,002)	(14,819)
NET INTEREST INCOME		232,234	177,273
Fee and commission income	22	50,074	47,405
Fee and commission expense	22	(24,582)	(22,486)
Fees and commissions, net		25,492	24,919
Net gain on financial assets and liabilities at fair value through profit or loss	23	31,548	9,135
Net realised gain/(loss) from financial assets at fair value through other comprehensive income		1,666	(346)
Net foreign exchange gain	24	12,475	20,137
Insurance revenue	25	58,756	63,066
Share in profit of associate		4,604	3,738
Income on non-banking activities	27	4,594	4,682
Other (expense)/income		(60,063)	12,774
OTHER NON-INTEREST INCOME		53,580	113,186
Operating expenses	26	(56,687)	(46,426)
Reversal of/(loss from) impairment of non-financial assets		46	(60)
Recovery of other credit loss expense	20	3,008	1,252
Insurance service expense	25	(39,310)	(36,071)
Net reinsurance expense	25	(9,770)	(7,647)
NON-INTEREST EXPENSES		(102,713)	(88,952)
PROFIT FOR THE YEAR BEFORE TAX		208,593	226,426
Income tax expense	17	(30,629)	(33,972)
NET INCOME		177,964	192,454
Attributable to:			
Non-controlling interest		-	-
Common shareholders		177,964	192,454
		177,964	192,454
EARNINGS PER SHARE (in Kazakhstani Tenge)			
Basic and diluted earnings per share	28	16.32	17.68

* Comparative information has been restated in accordance with Note 4b

On behalf of the Management Board:

Murat U. Koshenov
Deputy Chairperson of the Board

15 May 2024
Almaty, Kazakhstan

Dana S. Talzhanova
Chief Accountant

15 May 2024
Almaty, Kazakhstan

The notes on pages 10 to 76 form an integral part of this interim condensed consolidated financial information.

**Interim Condensed Consolidated Statement of Other Comprehensive Income
for the Three Months ended 31 March 2024 (unaudited)**
(millions of Kazakhstani Tenge)

	Three months ended 31 March 2024 (unaudited)	Three months ended 31 March 2023 (unaudited) (restated)*
Net income	177,964	192,454
Other comprehensive income:		
<i>Items that will not be subsequently reclassified to profit or loss:</i>		
Gain resulting on revaluation of property and equipment (net of tax – KZT null million)	24	17
Loss on revaluation of equity financial assets at fair value through other comprehensive income (net of tax – KZT null million)	(56)	(51)
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Gain on revaluation of debt financial assets at fair value through other comprehensive income, including impaired during the period (net of tax – KZT null million)	13,814	6,874
Reclassification adjustment relating to financial assets at fair value through other comprehensive income disposed of in the period (net of tax – KZT null million)	(1,666)	346
Share of other comprehensive income of associate	692	797
Foreign exchange differences on translation of foreign operation	(3,384)	(2,097)
Other comprehensive income for the year	9,424	5,886
Total comprehensive income for the year	187,388	198,340
Attributable to:		
Non-controlling interest	-	-
Common shareholders	187,388	198,340
	187,388	198,340

* Comparative information has been restated in accordance with Note 4b

On behalf of the Management Board:

Murat U. Koshenov
Deputy Chairperson of the Board

15 May 2024
Almaty, Kazakhstan

Dana S. Talzhanova
Chief Accountant

15 May 2024
Almaty, Kazakhstan

The notes on pages 10 to 76 form an integral part of this interim condensed consolidated financial information.

**Interim Condensed Consolidated Statement of Changes in Equity
for the Three Months ended 31 March 2024 (unaudited)**
(millions of Kazakhstani Tenge)

	Share capital Common shares	Share premium reserve	Treasury common shares	Cumulative translation reserve*	Revaluation reserve of financial assets at fair value through other comprehensiv e income*	Property revaluation reserve*	Retained earnings*	Total equity	Non- controlling interest	Total equity
31 December 2023	209,027	8,667	(258,514)	3,459	(25,299)	41,125	2,498,479	2,476,944	10	2,476,954
Net income	-	-	-	-	-	-	177,964	177,964	-	177,964
Other comprehensive (loss)/income	-	-	-	(3,384)	12,784	24	-	9,424	-	9,424
Total comprehensive (loss)/income	-	-	-	(3,384)	12,784	24	177,964	187,388	-	187,388
Treasury shares purchased (Note 19)	-	-	(452)	-	-	-	-	(452)	-	(452)
Treasury shares sold (Note 19)	-	21	559	-	-	-	-	580	-	580
Release of property and equipment revaluation reserve on depreciation and disposal of previously revalued assets	-	-	-	-	-	(275)	275	-	-	-
31 March 2024 (unaudited)	209,027	8,688	(258,407)	75	(12,515)	40,874	2,676,718	2,664,460	10	2,664,470

*These amounts are included within retained earnings and other reserves in the interim condensed consolidated statement of financial position.

JSC Halyk Bank



Interim Condensed Consolidated Statement of Changes in Equity for the Three Months ended 31 March 2024 (unaudited) (continued) (millions of Kazakhstanian Tenge)

	Share capital Common shares	Share premium reserve	Treasury common shares	Cumulative translation reserve*	Revaluation reserve of financial assets at fair value through other comprehensive income*	Property revaluation reserve*	Retained earnings*	Total equity	Non- controlling interest	Total equity
1 January 2023 (restated)**	209,027	7,966	(260,535)	11,742	(78,649)	43,309	2,079,373	2,012,233	9	2,012,242
Net income	-	-	-	-	-	-	192,454	192,454	-	192,454
Other comprehensive (loss)/income	-	-	-	(2,097)	7,966	17	-	5,886	-	5,886
Total comprehensive (loss)/income	-	-	-	(2,097)	7,966	17	192,454	198,340	-	198,340
Treasury shares purchased	-	-	(41)	-	-	-	-	(41)	-	(41)
Treasury shares sold	-	19	106	-	-	-	-	125	-	125
Release of property and equipment revaluation reserve on depreciation and disposal of previously revalued assets	-	-	-	-	-	(217)	217	-	-	-
31 March 2023 (unaudited)	209,027	7,985	(260,470)	9,645	(70,683)	43,109	2,272,044	2,210,657	9	2,210,666

* These amounts are included within retained earnings and other reserves in the interim condensed consolidated statement of financial position.

** Comparative information has been restated in accordance with Note 4b

On behalf of the Management Board:

Murat J. Koshenov
Deputy Chairperson of the Board
15 May 2024
Almaty, Kazakhstan

Dana S. Talhanova
Chief Accountant
15 May 2024
Almaty, Kazakhstan

The notes on pages 10 to 76 form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Cash Flows
for the Three Months ended 31 March 2024 (unaudited)
(millions of Kazakhstani Tenge)

	Three months ended 31 March 2024 (unaudited)	Three months ended 31 March 2023 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Interest received from financial assets at fair value through profit or loss	8,536	4,761
Interest received from cash equivalents and amounts due from credit institutions	30,430	14,801
Interest received on financial assets at fair value through other comprehensive income	44,539	27,234
Interest received on debt securities at amortized cost, net of allowance for expected credit losses	3,509	3,590
Interest received from loans to customers	383,451	301,766
Interest received from other assets	-	651
Interest paid on due to customers	(217,681)	(164,917)
Interest paid on due to credit institutions	(8,699)	(10,615)
Interest paid on debt securities issued	(6,723)	(5,149)
Interest paid on other obligations	-	(4,931)
Fee and commission received	48,279	46,408
Fee and commission paid	(24,237)	(22,577)
Insurance revenue	70,003	63,066
Ceded reinsurance share paid	(10,208)	(13,011)
Receipts from financial derivatives	18,408	4,918
(Other expense paid)/other income received	(55,470)	17,457
Operating expenses paid	(40,871)	(34,588)
Insurance claims paid	(34,883)	(44,355)
Cash flows from operating activities before changes in net operating assets	208,383	184,509
Changes in operating assets and liabilities:		
(Increase)/decrease in operating assets:		
Obligatory reserves	(2,416)	7,054
Financial assets at fair value through profit or loss	(16,540)	(17,006)
Amounts due from credit institutions	12,675	(2,121)
Loans to customers	(48,171)	12,585
Assets classified as held for sale	181	229
Insurance contract assets	(21,770)	(3,085)
Other assets	5,773	11,589
Increase/(decrease) in operating liabilities:		
Amounts due to customers	372,024	(263,489)
Amounts due to credit institutions	(104,262)	61,448
Financial liabilities at fair value through profit or loss	(331)	(1,272)
Insurance contract liabilities	27,318	16,089
Other liabilities	(3,275)	(2,270)
Net cash inflow from operating activities before income tax	429,589	4,260
Income tax paid	(32,434)	(23,215)
Net cash inflow/(outflow) from operating activities	397,155	(18,955)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase and prepayment for property and equipment and intangible assets	(13,300)	(10,874)
Proceeds on sale of property and equipment	526	20
Proceeds on sale of investment property	(3,568)	145
Proceeds on sale of commercial property	619	2,669
Proceeds on sale of financial assets at fair value through other comprehensive income	219,325	19,296
Purchase of financial assets at fair value through other comprehensive income	(332,166)	(258,024)
Purchase of debt securities at amortized cost, net of allowance for expected credit losses	(6)	(39,607)
Proceeds on sale and maturity of debt securities at amortized cost, net of allowance for expected credit losses	9,181	59,197
Capital expenditures on commercial property	(35)	(787)
Net cash outflow from investing activities	(119,424)	(227,965)

Interim Condensed Consolidated Statement of Cash Flows
for the Three Months ended 31 March 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)

		Three months ended 31 March 2024 (unaudited)	Three months ended 31 March 2023 (unaudited)
	Notes		
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds on sale of treasury shares		580	125
Purchase of treasury shares		(452)	(41)
Redemption and repayment of debt securities issued	16	-	(45,869)
Proceeds from issue of debt securities issued	16	3,652	1,610
Repayment of the lease liabilities		(786)	(851)
Net cash inflow/(outflow) from financing activities		2,994	(45,026)
Effect of changes in foreign exchange rates on cash and cash equivalents		(31,811)	(38,625)
Net change in cash and cash equivalents		248,914	(330,571)
CASH AND CASH EQUIVALENTS, beginning of the period	5	1,377,315	2,028,831
CASH AND CASH EQUIVALENTS, end of the period	5	1,626,229	1,698,260

On behalf of the Management Board:

Murat U. Koshenov
Deputy Chairperson of the Board

15 May 2024
 Almaty, Kazakhstan

Dana S. Talzhanova
Chief Accountant

15 May 2024
 Almaty, Kazakhstan

The notes on pages 10 to 76 form an integral part of this interim condensed consolidated financial information.

**Selected Explanatory Notes to the Interim Condensed
Consolidated Financial Information for the Three Months
ended 31 March 2024 (unaudited)
(millions of Kazakhstani Tenge)**

1. Principal activities

JSC Halyk Bank (the “Bank”) and its subsidiaries (collectively, the “Group”) provide corporate and retail banking services principally in Kazakhstan, Georgia and Uzbekistan, leasing services in Kazakhstan, as well as asset management, insurance and brokerage services in Kazakhstan. The primary state registration of the Bank with the authorities of justice of Kazakhstan was made on 20 January 1994. The Bank operates under license No. 1.2.47/230/38/1 for carrying out banking and other operations and activities on the securities market, renewed by the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market on 23 June 2023. The Bank is a member of the obligatory deposit insurance system provided by the JSC Kazakhstan Deposit Insurance Fund.

The Bank’s primary business includes originating loans and guarantees, collecting deposits, trading in securities and foreign currencies, executing transfers, cash and payment card operations as well as rendering other banking services to its customers. In addition, the Bank acts as a non-exclusive agent of the Government of the Republic of Kazakhstan in channeling various budgetary payments and pensions through its nationwide branch network.

The Bank has a primary listing with the Kazakhstan Stock Exchange (“KASE”) and Astana International Exchange. The Bank’s Global Depository Receipts (“GDRs”) are primary listed on the London Stock Exchange, KASE and Astana International Exchange.

The Group is ultimately controlled by Timur Kulibayev and his wife Dinara Kulibayeva via JSC HG Almex.

As at 31 March 2024, the Bank operated through its head office in Almaty and its 25 regional branches, 119 sub-regional offices and 427 cash settlement units (31 December 2023 – 25, 119 and 426, respectively) located throughout Kazakhstan. The address of the Bank’s registered office is 40 Al-Farabi Avenue, Almaty, A26M3K5, Republic of Kazakhstan.

As at 31 March 2024, the number of the Group’s employees was 16,897 (31 December 2023 – 16,833).

The interim condensed consolidated financial information of the Group for the three months ended 31 March 2024 was authorized for issue by the Management Board on 15 May 2024.

Legal proceedings

From time to time and in the normal course of business, claims against the Group are received from customers and counterparties. Management is of the opinion that no material unaccrued losses will be incurred and accordingly no provision has been made in this interim condensed consolidated financial information.

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)

Operating environment

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

Because Kazakhstan produces and exports large volumes of oil and gas, its economy is particularly sensitive to the price of oil and gas on the world market. Moreover, the state of the economy is significantly influenced by government spending on major infrastructure projects and various programs of the country's socio-economic development.

During the first quarter of 2024, the average price of Brent oil was around 83.15 USD per barrel (83.00 USD per barrel during 2023). For the period from January to March 2024, the economy of Kazakhstan increased by 3.9%. In March 2024, the annual inflation accelerated to 9.1%.

In April, the Monetary Policy Committee of the National Bank of the Republic of Kazakhstan decided to maintain the base rate at the level of 14.75% per annum with a corridor of +/- 1 percentage point. In 2024, US inflation shows a slight increase, and therefore the global regime of tight monetary policy may continue longer than previously expected. In March 2024, there was an increase in the FAO global food price index, which also contributes to rising inflation expectations. At the same time, there is an aggravation of the geopolitical situation in the Middle East, which may result in an increase in energy prices. In Kazakhstan, inflation continues to decline in annual terms, but at a slower pace than in 2023. The increase in tariffs for regulated services had an impact on the overall consumer price index.

Management of the Group is monitoring developments in the economic and political situation, including any sanctions related risks, and taking measures it considers necessary to support the sustainability and development of the Group's business for the foreseeable future. However, the consequences of these events and related future changes August have a significant impact on the Group's operations.

Ownership

As at 31 March 2024 and 31 December 2023, the Group's shares were represented by common shares only.

As at 31 March 2024 and 31 December 2023, the Group was owned by the following shareholders, which own individually more than 5% of the issued shares of the Group:

	31 March 2024(unaudited)		31 December 2023	
	Total shares (Common shares)	Stake in total shares in circulation	Total shares (Common shares)	Stake in total shares in circulation
JSC HG Almex	7,583,538,228	69.6%	7,583,538,228	69.6%
GDR holders	3,109,828,320	28.5%	3,109,586,880	28.5%
Other	209,899,065	1.9%	209,046,483	1.9%
Total shares in circulation (on consolidated basis)	10,903,265,613	100%	10,902,171,591	100%

**Selected Explanatory Notes to the Interim Condensed
Consolidated Financial Information for the Three Months
ended 31 March 2024 (unaudited) (continued)**
(millions of Kazakhstani Tenge)

2. Basis of presentation

Accounting basis

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”. This interim condensed consolidated financial information has been prepared assuming that the Group is a going concern, as the Group have the resources to continue in operation for the foreseeable future. In making this assessment, the management have considered a wide range of information in relation to present and future economic conditions, including projections of cash flows, profit and capital resources.

The interim condensed consolidated financial information is unaudited and does not include all the information and disclosures required in the annual financial statements. The Group omitted disclosures, which would substantially duplicate the information contained in its audited annual consolidated financial statements for the year ended 31 December 2023 prepared in accordance with International Financial Reporting Standards (“IFRS”), such as accounting policies and details of accounts, which have not changed significantly in amount or composition. Additionally, the Group has provided disclosures, where significant events have occurred subsequent to the issuance of the Group’s annual consolidated financial statements for the year ended 31 December 2023 prepared in accordance with IFRS.

Management believes that the disclosures in this interim condensed consolidated financial information are adequate to make the information presented not misleading if this interim condensed consolidated financial information is read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023 prepared in accordance with IFRS. In management’s opinion, this interim condensed consolidated financial information reflects all adjustments necessary to present fairly the Group’s financial position, results of the operations, changes in shareholders’ equity and cash flows for the interim reporting periods.

This interim condensed consolidated financial information is presented in millions of Kazakhstani Tenge (“KZT” or “Tenge”), except for earnings per share amounts and unless otherwise indicated.

Consolidated subsidiaries

No significant changes in the Group structure occurred during the three months ended 31 March 2024 in comparison with the structure as at 31 December 2023.

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)

3. Significant accounting policies

The same accounting policies, presentation and methods of computation have been followed in this interim condensed consolidated financial information as were applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2023.

Adoption of new and revised Standards

New and revised IFRS Standards that are effective for the current year

The following amendments and interpretations are effective for the Group beginning 1 January 2024:

<i>IFRS S2 Climate-related Disclosures</i>	1 January 2024
<i>IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information</i>	1 January 2024
<i>Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)</i>	1 January 2024
<i>Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Amendment to IAS 1)</i>	1 January 2024

The above standards and interpretations were reviewed by the Group's management and determined to not have a significant effect on the consolidated financial information of the Group.

New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of this financial information, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

<i>New or revised standard or interpretation</i>	<i>Applicable to annual reporting periods beginning on or after</i>
<i>Amendment to IFRS 16 – Lease Liability in a Sale and Leaseback</i>	1 January 2024
<i>Amendments to IAS 1 – Non-current Liabilities with Covenants</i>	1 January 2024

The management does not expect that the adoption of the Standards listed above to have a material impact on the condensed consolidated financial information of the Group in future periods.

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)

4. 4a. Significant accounting estimates

In preparing this interim condensed consolidated financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the Group's annual consolidated financial statements for the year ended 31 December 2023 prepared in accordance with IFRS. There have been no changes to the basis upon which the significant accounting estimates have been determined compared with 31 December 2023, except for those disclosed in this Note below.

Measurement of allowances for expected credit losses ("ECL")

Due to significant changes in the operating environment caused by the realized geopolitical risks, an extraordinary stress-testing of the Group's financial stability was carried out. The results of stress testing show some decrease in certain financial indicators (growth in allowances for expected credit losses, decrease in net profit and outflow of customer funds). At the same time, given that the Group has a sufficient amount of equity capital and liquid assets, a significant deterioration in the Group's financial position and violation of prudential norms and requirements is not expected.

4b. Restatements

In preparing the interim condensed consolidated financial information for the three months ended 31 March 2024, the Group carried out an inventory of its financial instruments. The inventory process identified financial instruments measured at fair value through profit or loss that were previously restricted in use and were incorrectly measured at cost. The Group revaluated these financial instruments and recognized prior period adjustments.

	As previously reported	Adjustment	As restated
	Three months ended	Three months ended	Three months ended
	31 March	31 March	31 March
Consolidated statement of profit and loss	2023	2023	2023
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	3,819	5,316	9,135
Income tax expense	(32,909)	(1,063)	(33,972)
Net profit	188,201	4,253	192,454

The consolidated statement of profit or loss for the three months ended 31 March 2023 has been reclassified to conform to the presentation for the year ended 31 December 2023 because the presentation of the current year report provides a clearer picture of the Group's financial performance.

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
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5. Cash and cash equivalents

Cash and cash equivalents comprise:

	31 March 2024 (unaudited)	31 December 2023
Cash on hand	216,246	314,055
Correspondent accounts with Organization for Economic Co-operation and Development countries (the "OECD") based banks	417,927	360,599
Short-term deposits with OECD based banks	44,691	-
Correspondent accounts with NBRK	81,402	176,766
Short-term deposits with NBRK	539,857	350,310
Correspondent accounts with Kazakhstan banks	40,877	33,595
Short-term deposits with Kazakhstan banks (incl. loans under reverse repurchase agreements)	57,942	39,052
Correspondent accounts with non-OECD based banks	19,836	40,418
Short-term deposits with non-OECD based banks	190,039	57,349
Overnight deposits with non-OECD based banks	17,412	5,171
	1,626,229	1,377,315

As at 31 March 2024 and 31 December 2023, allowance for expected credit losses on short-term deposits included in cash and cash equivalents comprised KZT 16 million and KZT 36 million, respectively

The movements in accumulated allowances for expected credit losses of cash and cash equivalents were as follows:

	Three months ended 31 March 2024 (unaudited)	Three months ended 31 March 2023 (unaudited)
	Stage 1	Stage 1
At the beginning of the period	(36)	(21)
Changes in risk parameters	12	3
Foreign exchange differences and other movements	8	2
At the end of the period	(16)	(16)

Interest rates and currencies in which interest earning cash and cash equivalents are denominated are as follows:

	31 March 2024 (unaudited)		31 December 2023	
	KZT	Foreign currencies	KZT	Foreign currencies
Short-term deposits with OECD based banks	-	5.1%	-	-
Short-term deposits with NBRK	13.8%-14.8%	-	14.8%-15.8%	-
Short-term deposits with Kazakhstan banks (incl. loans under reverse repurchase agreements)	13.0%-17.0%	13.7%-15.7%	14.8%-17.8%	3.6%-7.1%
Short-term deposits with non-OECD based banks	-	5.3%-17.0%	-	5.7%-12.0%
Overnight deposits with non-OECD based banks	-	8.3%-12.0%	-	12.0%

**Selected Explanatory Notes to the Interim Condensed
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Fair value of assets pledged and carrying amounts of loans under reverse repurchase agreements included into short-term deposits with Kazakhstan banks as at 31 March 2024 and 31 December 2023 are as follows:

	31 March 2024 (unaudited)		31 December 2023	
	Carrying amount of loans	Fair value of collateral	Carrying amount of loans	Fair value of collateral
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	41,415	47,521	17,585	17,583
Treasury bills of the Ministry of Finance of the Republic of Uzbekistan	5,886	5,887	6,094	6,096
Corporate bonds	5,523	5,513	10,766	10,788
Bonds of international financial institutions	1,587	1,574	356	352
Eurobonds of the foreign countries	1,487	1,477	2,113	2,092
Bonds of Kazakhstan banks	1,350	1,192	1,457	1,371
Bonds of JSC Development Bank of Kazakhstan	694	691	669	657
Notes of NBRK	-	-	12	12
	57,942	63,855	39,052	38,951

As at 31 March 2024 and 31 December 2023, maturities of loans under reverse repurchase agreements were less than one month.

6. Financial assets and liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss comprise:

	31 March 2024 (unaudited)	31 December 2023
Financial assets held for trading:		
Corporate bonds	191,897	186,343
Equity securities of foreign organizations	161,996	149,224
Bonds of foreign organizations	57,866	34,668
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	43,827	51,137
Bonds of JSC Development Bank of Kazakhstan	42,754	35,546
Bonds of Kazakhstan banks	32,605	33,676
Equity securities of Kazakhstan corporations	26,671	12,723
Derivative financial instruments	25,922	23,836
Bonds of foreign financial organizations	20,255	23,716
Eurobonds of the foreign countries	15,980	32,650
NBRK notes	-	5,843
Total financial assets at fair value through profit or loss	619,773	589,362

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
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Financial liabilities at fair value through profit or loss comprise:

	31 March 2024 (unaudited)	31 December 2023
Financial liabilities held for trading:		
Derivative financial instruments	3,894	4,202

Interest rates on financial assets at fair value through profit or loss are presented in the table below. Interest rates in the table below are calculated as weighted average of the effective interest rates for the respective financial assets:

	31 March 2024 (unaudited)	31 December 2023
Corporate bonds	12.5%	12.7%
Bonds of foreign organizations	6.2%	6.2%
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	13.2%	12.8%
Bonds of JSC Development Bank of Kazakhstan	14.4%	14.7%
Bonds of Kazakhstan banks	15.4%	13.6%
Bonds of foreign financial organizations	11.8%	12.0%
Eurobonds of the foreign countries	5.2%	4.8%
NBRK notes	-	15.4%

As at 31 March 2024, financial assets measured at fair value through profit or loss included Treasury bills of the Ministry of Finance of the Republic of Kazakhstan, bonds of JSC Development Bank of Kazakhstan, bonds of JSC National Company KazMunayGas, JSC Industrial Development Fund and JSC Kazakhstan Sustainability Fund with a fair value of KZT 17,534 million (31 December 2023 – KZT 12,210 million), transferred as collateral under repurchase agreements with other banks (Note 15). All repurchase agreements as at 31 March 2024 were settled on 3 April 2024 (31 December 2023 – 18 January 2024).

Derivative financial instruments comprise:

	31 March 2024 (unaudited)			31 December 2023		
	Notional amount	Fair value		Notional amount	Fair value	
		Asset	Liability		Asset	Liability
Foreign currency contracts						
Swaps	1,244,303	24,858	2,201	789,753	23,487	4,029
Spots	303,796	1,042	1,693	78,676	326	173
Forwards	9,682	22	-	4,736	23	-
		25,922	3,894		23,836	4,202

As at 31 March 2024 and 31 December 2023, the Group used quoted market prices from independent information sources for all of its financial assets and liabilities at fair value through profit or loss, except for derivative financial instruments, which are valued using valuation models based on observable market data.

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7. Amounts due from credit institutions

Amounts due from credit institutions comprise:

	31 March 2024 (unaudited)	31 December 2023
Term deposits and restricted accounts	68,321	78,774
Deposit pledged as collateral	55,697	51,367
Loans to credit institutions	30,247	42,013
	154,265	172,154
Less - Allowance for expected credit losses	(232)	(400)
Total amounts due from credit institutions	154,033	171,754

Interest rates and maturities of amounts due from credit institutions are as follows:

	31 March 2024 (unaudited)		31 December 2023	
	Interest rate, %	Maturity, year	Interest rate, %	Maturity, year
Term deposits and restricted accounts	7.0%-20.0%	2024-2025	3.0%-9.1%	2024-2027
Deposit pledged as collateral	1.8%-5.4%	2024-2046	1.8%-5.4%	2024-2046
Loans to credit institutions	3.0%-9.1%	2024-2027	1.0%-14.3%	2024

The movements in accumulated allowances for expected credit losses of amounts due from credit institutions were as follows:

	Three months ended 31 March 2024 (unaudited)			Three months ended 31 March 2023 (unaudited)		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
At the beginning of the period	(330)	(70)	(400)	(201)	(144)	(345)
Changes in risk parameters	134	69	203	67	127	194
Foreign exchange differences and other movements	(36)	1	(35)	4	-	4
At the end of the period	(232)	-	(232)	(130)	(17)	(147)

8. Financial assets at fair value through other comprehensive income

Debt securities comprise:

	31 March 2024 (unaudited)	31 December 2023
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	1,687,421	1,547,296
Corporate bonds	214,692	211,958
Eurobonds of the foreign countries	164,240	206,347
Bonds of foreign organisations	163,789	188,038
Bonds of JSC Development Bank of Kazakhstan	159,481	147,645
Bonds of foreign financial organisations	90,105	89,887
Local municipal bonds	10,963	10,756
Bonds of Kazakhstan banks	9,947	10,465
Treasury bills of the Ministry of Finance of the Republic of Uzbekistan	3,856	3,880
	2,504,494	2,416,272

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Equity securities comprise:

	31 March 2024 (unaudited)	31 December 2023
Equity securities of Kazakhstan corporations	12,420	9,630
	12,420	9,630
Total financial assets at fair value through other comprehensive income	2,516,914	2,425,902

As at 31 March 2024 and 31 December 2023, financial assets at fair value through other comprehensive income included Treasury bills of the Ministry of Finance of Kazakhstan, JSC Development Bank of Kazakhstan, JSC Industrial Development Fund and JSC Kazakhstan Sustainability Fund at fair value of KZT 141,412 million and KZT 188,100 million, respectively, which were pledged under repurchase agreements with other banks (Note 15). All repurchase agreements as at 31 March 2024 will mature on 13 November 2024 (as at 31 December 2023 on 10 January 2024), and agreements with longer maturities will mature on 17 November 2025.

As at 31 March 2024 and 31 December 2023, the allowance for expected credit losses on financial assets at fair value through other comprehensive income comprised KZT 2,370 million and KZT 2,206 million, respectively (Note 9).

Interest rates and maturities of financial assets at fair value through other comprehensive income securities are presented in the table below. Interest rates in the table below are calculated as the weighted average of the effective interest rates for the respective securities.

	31 March 2024 (unaudited)		31 December 2023	
	Interest rate, %	Maturity, year	Interest rate, %	Maturity, year
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	6.7%	2024-2045	5.7%	2024-2045
Corporate bonds	9.9%	2024-2047	10.2%	2024-2047
Eurobonds of the foreign countries	4.0%	2024-2025	3.8%	2024-2025
Bonds of foreign organizations	4.1%	2024-2029	3.8%	2024-2027
Bonds of JSC Development Bank of Kazakhstan	6.9%	2024-2032	6.3%	2024-2032
Bonds of foreign financial organisations	9.3%	2024-2030	9.0%	2024-2030
Local municipal bonds	10.8%	2026	10.8%	2026
Bonds of Kazakhstan banks	10.8%	2024-2026	11.9%	2024-2026
Treasury bills of the Ministry of Finance of the Republic of Uzbekistan	6.7%	2028-2029	7.9%	2028-2029

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9. Debt securities at amortized cost, net of allowances for expected credit losses

Debt securities at amortized cost, net of allowances for expected credit losses comprise:

	31 March 2024 (unaudited)	31 December 2023
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	532,966	521,665
Corporate bonds	183,263	187,966
Bonds of foreign organizations	4,588	5,332
Notes of National Bank of Georgia	1,980	2,959
Treasury bonds of Uzbekistan	-	7,421
Total debt securities at amortized cost, net of allowances for expected credit losses	722,797	725,343

As at 31 March 2024 and 31 December 2023, for debt securities measured at amortized cost, the allowance for expected credit losses was KZT 660 million and KZT 656 million, respectively.

As at 31 March 2024 and 31 December 2023, debt securities at amortised cost, net of allowances for expected credit losses included Treasury bills of the Ministry of Finance of Kazakhstan at fair value of KZT 97,391 million and KZT 269,231 million, respectively, pledged under repurchase agreements with the other banks (see Note 15). All repurchase agreements as at 31 March 2024 and 31 December 2023 matured before 1 April 2024 and 3 January 2024, respectively.

Interest rates and maturities of debt securities at amortized cost, net of allowance for expected credit losses are presented in the table below. Interest rates in the table below are calculated as the weighted average of the effective interest rates for the respective securities.

	31 March 2024 (unaudited)		31 December 2023	
	Interest rate, %	Maturity, year	Interest rate, %	Maturity, year
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	9.0%	2026-2027	9.1%	2026-2027
Corporate bonds	3.2%	2024	3.3%	2024
Bonds of foreign organizations	3.4%	2025	3.4%	2025
Notes of National Bank of Georgia	9.8%	2026-2027	9.9%	2024-2028
Treasury bonds of Uzbekistan	-	-	16.4%	2024

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The movements in accumulated allowances for expected credit losses of debt securities at amortised cost, net of allowances for expected credit losses and financial assets at fair value through other comprehensive income were as follows:

	Three months ended 31 March 2024 (unaudited)		Three months ended 31 March 2023 (unaudited)		
	Stage 1	Total	Stage 1	Stage 3	Total
At the beginning of the period	(2,862)	(2,862)	(1,398)	(170)	(1,568)
Changes in risk parameters*	(22)	(22)	(115)	-	(115)
New originations or purchases of financial assets*	(346)	(346)	(119)	-	(119)
Derecognition of financial assets*	88	88	3	-	3
Disposal of subsidiaries	-	-	-	170	170
Foreign exchange differences and other movements	110	110	22	-	22
At the end of the period	(3,030)	(3,030)	(1,607)	-	(1,607)

* FS line "Credit loss expense" in the interim condensed consolidated statement of profit or loss is comprised from "Changes in risk parameters", "New originations or purchases of financial assets" and "Derecognition of financial assets".

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10. Loans to customers

Loans to customers comprise:

	31 March 2024 (unaudited)	31 December 2023
Originated loans to customers	9,788,386	9,752,598
Overdrafts	23,258	22,200
	9,811,644	9,774,798
Stage 1	9,010,962	8,992,052
Stage 2	64,938	51,860
Stage 3	714,175	700,518
Purchased or originated credit-impaired assets ("POCI")	21,569	30,368
Total	9,811,644	9,774,798
Less – Allowance for expected credit losses	(512,352)	(489,926)
Loans to customers	9,299,292	9,284,872

The weighted average interest rate on loans to customers is calculated as interest income on loans to customers divided by monthly average balances of loans to customers. For the three months ended 31 March 2024, average interest rate on loans was 17.2% (for the three months ended 31 March 2023 – 15.6%).

As at 31 March 2024, the Group's loan concentration to the ten largest borrowers was KZT 1,614,367 million, which comprised 16% of the Group's total gross loan portfolio (as at 31 December 2023 – KZT 1,745,993 million, 18%, respectively) and 61% of the Group's total equity (as at 31 December 2023 – 73%).

As at 31 March 2024, the allowance for expected credit losses created against these loans was KZT 16,261 million (as at 31 December 2023 – KZT 17,489 million).

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As at 31 March 2024 and 31 December 2023, loans were granted to the following sectors:

	31 March 2024 (unaudited)	%	31 December 2023	%
Retail loans:				
- consumer loans	2,942,904	30%	2,720,125	28%
- mortgage loans	413,925	4%	392,280	4%
	3,356,829		3,112,405	
Services	953,958	10%	940,224	10%
Wholesale trade	765,096	8%	828,977	8%
Retail trade	581,924	6%	635,295	6%
Energy	538,487	5%	509,210	5%
Metallurgy	392,538	4%	356,780	4%
Financial services	371,128	4%	367,719	4%
Transportation	322,308	3%	330,840	3%
Chemical industry	318,071	3%	326,310	3%
Oil and gas	316,818	3%	360,489	4%
Real estate	314,565	3%	333,018	3%
Food industry	297,572	3%	302,575	3%
Agriculture	286,025	3%	298,939	3%
Machinery	259,660	3%	271,588	3%
Construction	257,105	3%	274,556	3%
Communication	157,738	2%	155,574	2%
Mining	84,271	1%	125,184	1%
Hotel industry	70,253	1%	72,136	1%
Light industry	63,335	1%	64,007	1%
Other	103,963	1%	108,972	1%
	9,811,644	100%	9,774,798	100%

Restructured and modified loans to customers

The Group derecognises a financial asset, such as a loan to a customer, if the terms of the contract are renegotiated in such a way that it effectively becomes a new loan and the difference is recognized as a gain or loss on derecognition before an impairment loss is recognized. On initial recognition, loans to customers are classified in Stage 1 for the purpose of estimating expected credit losses, unless the loan originated is considered POCL. If the modification does not result in a significant change in cash flows, then derecognition does not occur. No material modification gain/(loss) of loans to customers was recognized in the first quarter of 2024 and 2023.

As at 31 March 2024, accrued interest on loans comprised KZT 225,080 million (31 December 2023 – KZT 213,240 million).

During the three months ended 31 March 2024 and the year ended 31 December 2023, the Group received financial and non-financial assets by taking possession of collateral it held as security. During the three months ended 31 March 2024 and the year ended 31 December 2023, such assets of KZT 1,364 million and KZT 22,910 million, respectively, are included in assets classified as held for sale.

As at 31 March 2024 and 31 December 2023, loans to customers included loans of KZT 313,689 million and KZT 328,102 million, respectively, which terms were renegotiated. Otherwise, these loans would be past due.

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The following is a reconciliation of the gross carrying amounts at the beginning and end of period:

	31 March 2024 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	8,992,052	51,860	700,518	30,368	9,774,798
Transfer to Stage 1	13,594	(5,410)	(8,184)	-	-
Transfer to Stage 2	(41,569)	43,229	(1,660)	-	-
Transfer to Stage 3	(48,745)	(19,929)	68,674	-	-
New originations or purchases of financial assets	2,072,246	-	-	-	2,072,246
Assets derecognised or repaid**	(1,303,617)	(1,703)	(28,047)	(2,483)	(1,335,850)
Write-offs	-	-	(2,908)	(5,203)	(8,111)
Changes in the gross value of financial assets*	(672,999)	(3,109)	(14,218)	(1,113)	(691,439)
At the end of the period	9,010,962	64,938	714,175	21,569	9,811,644

	31 March 2024 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total
Corporate Business					
At the beginning of the period	4,620,873	13,307	385,026	24,368	5,043,574
Transfer to Stage 2	(7,197)	7,197	-	-	-
New originations or purchases of financial assets	1,031,494	-	-	-	1,031,494
Assets derecognised or repaid**	(840,932)	-	(16,733)	(2,345)	(860,010)
Write-offs	-	-	-	(5,147)	(5,147)
Changes in the gross value of financial assets*	(285,620)	(782)	(10,879)	(807)	(298,088)
At the end of the period	4,518,618	19,722	357,414	16,069	4,911,823

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	31 March 2024 (unaudited)				
Retail Business	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	2,890,959	20,966	198,334	2,146	3,112,405
Transfer to Stage 1	8,806	(4,769)	(4,037)	-	-
Transfer to Stage 2	(22,328)	23,896	(1,568)	-	-
Transfer to Stage 3	(27,518)	(11,962)	39,480	-	-
New originations or purchases of financial assets	639,603	-	-	-	639,603
Assets derecognised or repaid**/**	(179,942)	(645)	(3,025)	(1)	(183,613)
Write-offs	-	-	(1,687)	-	(1,687)
Changes in the gross value of financial assets*	(208,969)	(216)	(549)	(145)	(209,879)
At the end of the period	3,100,611	27,270	226,948	2,000	3,356,829

	31 March 2024 (unaudited)				
SME Business	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	1,480,220	17,587	117,158	3,854	1,618,819
Transfer to Stage 1	4,788	(641)	(4,147)	-	-
Transfer to Stage 2	(12,044)	12,136	(92)	-	-
Transfer to Stage 3	(21,227)	(7,967)	29,194	-	-
New originations or purchases of financial assets	401,149	-	-	-	401,149
Assets derecognised or repaid**/**	(282,743)	(1,058)	(8,289)	(137)	(292,227)
Write-offs	-	-	(1,221)	(56)	(1,277)
Changes in the gross value of financial assets*	(178,410)	(2,111)	(2,790)	(161)	(183,472)
At the end of the period	1,391,733	17,946	129,813	3,500	1,542,992

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	31 March 2023 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	7,549,514	106,694	586,787	37,295	8,280,290
Transfer to Stage 1	23,632	(8,997)	(14,635)	-	-
Transfer to Stage 2	(42,134)	44,942	(2,808)	-	-
Transfer to Stage 3	(86,176)	(12,116)	98,292	-	-
New originations or purchases of financial assets	1,396,570	-	-	-	1,396,570
Assets derecognised or repaid**/**	(841,700)	(5,092)	(18,403)	(163)	(865,358)
Write-offs	-	-	(1,989)	(17)	(2,006)
Changes in the gross value of financial assets*	(538,588)	(7,789)	(23,135)	(408)	(569,920)
At the end of the period	7,461,118	117,642	624,109	36,707	8,239,576

	31 March 2023 (unaudited)				
Corporate Business	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	4,046,565	72,288	302,658	27,969	4,449,480
Transfer to Stage 1	11,755	(845)	(10,910)	-	-
Transfer to Stage 2	(10,399)	11,235	(836)	-	-
Transfer to Stage 3	(54,725)	(704)	55,429	-	-
New originations or purchases of financial assets	784,549	-	-	-	784,549
Assets derecognised or repaid**/**	(550,603)	(2,621)	(8,151)	(144)	(561,519)
Write-offs	-	-	-	(17)	(17)
Changes in the gross value of financial assets*	(239,039)	(4,243)	(19,828)	1,064	(262,046)
At the end of the period	3,988,103	75,110	318,362	28,872	4,410,447

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)

	31 March 2023 (unaudited)				
Retail Business	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	2,354,692	15,253	163,659	3,252	2,536,856
Transfer to Stage 1	6,984	(3,859)	(3,125)	-	-
Transfer to Stage 2	(17,021)	18,378	(1,357)	-	-
Transfer to Stage 3	(21,472)	(8,556)	30,028	-	-
New originations or purchases of financial assets	296,074	-	-	-	296,074
Assets derecognised or repaid**/**	(111,680)	(397)	(5,284)	(19)	(117,380)
Write-offs	-	-	(700)	-	(700)
Changes in the gross value of financial assets*	(161,257)	(289)	(1,882)	(370)	(163,798)
At the end of the period	2,346,320	20,530	181,339	2,863	2,551,052

	31 March 2023 (unaudited)				
SME Business	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	1,148,257	19,153	120,470	6,074	1,293,954
Transfer to Stage 1	4,893	(4,293)	(600)	-	-
Transfer to Stage 2	(14,714)	15,329	(615)	-	-
Transfer to Stage 3	(9,979)	(2,856)	12,835	-	-
New originations or purchases of financial assets*	315,947	-	-	-	315,947
Assets derecognised or repaid**/**	(179,417)	(2,074)	(4,968)	-	(186,459)
Write-offs	-	-	(1,289)	-	(1,289)
Changes in the gross value of financial assets*	(138,292)	(3,257)	(1,425)	(1,102)	(144,076)
At the end of the period	1,126,695	22,002	124,408	4,972	1,278,077

* Changes in the gross value of financial assets includes changes in gross carrying amount associated with partial repayment of debt, accrual of interest income and foreign exchange differences

/The derecognition or redemption of financial assets includes the gross carrying amount of loans classified as assets held for sale.

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)

The movements in accumulated allowances for expected credit losses of loans to customers were as follows:

	31 March 2024 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	(122,149)	(7,362)	(347,655)	(12,760)	(489,926)
Transfer to Stage 1	(3,163)	758	2,405	-	-
Transfer to Stage 2	1,235	(2,105)	870	-	-
Transfer to Stage 3	2,703	2,827	(5,530)	-	-
Changes in risk parameters*	8,925	(3,857)	(29,815)	(427)	(25,174)
New originations or purchases of financial assets*	(25,318)	-	-	-	(25,318)
Derecognition of financial assets**	12,106	126	10,132	6,517	28,881
Recoveries of allowances on previously written-off assets***	(255)	250	(4,990)	(4,941)	(9,936)
Write-offs	-	-	2,908	5,203	8,111
Foreign exchange differences and other movements	224	20	610	156	1,010
At the end of the period	(125,692)	(9,343)	(371,065)	(6,252)	(512,352)

	31 March 2024 (unaudited)				
Corporate Business	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	(21,561)	(3,010)	(194,810)	(11,770)	(231,151)
Transfer to Stage 2	63	(264)	201	-	-
Changes in risk parameters*	1,946	(180)	(3,979)	(211)	(2,424)
New originations or purchases of financial assets*	(4,694)	-	-	-	(4,694)
Derecognition of financial assets**	4,008	-	6,451	6,443	16,902
Recoveries of allowances on previously written-off assets***	(99)	201	(3,149)	(5,089)	(8,136)
Write-offs	-	-	-	5,147	5,147
Foreign exchange differences and other movements	128	3	541	155	827
At the end of the period	(20,209)	(3,250)	(194,745)	(5,325)	(223,529)

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)

Retail Business	31 March 2024 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	(81,229)	(3,326)	(116,332)	(169)	(201,056)
Transfer to Stage 1	(2,903)	669	2,234	-	-
Transfer to Stage 2	1,007	(1,649)	642	-	-
Transfer to Stage 3	2,229	2,183	(4,412)	-	-
Changes in risk parameters*	4,508	(1,961)	(18,637)	(26)	(16,116)
New originations or purchases of financial assets*	(15,758)	-	-	-	(15,758)
Derecognition of financial assets**	5,098	63	1,502	-	6,663
Recoveries of allowances on previously written-off assets***	(18)	(7)	(1,456)	-	(1,481)
Write-offs	-	-	1,687	-	1,687
Foreign exchange differences and other movements	38	16	33	-	87
At the end of the period	(87,028)	(4,012)	(134,739)	(195)	(225,974)

SME Business	31 March 2024 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	(19,359)	(1,026)	(36,513)	(821)	(57,719)
Transfer to Stage 1	(260)	89	171	-	-
Transfer to Stage 2	165	(192)	27	-	-
Transfer to Stage 3	474	644	(1,118)	-	-
Changes in risk parameters*	2,471	(1,716)	(7,199)	(190)	(6,634)
New originations or purchases of financial assets*	(4,866)	-	-	-	(4,866)
Derecognition of financial assets**	3,000	63	2,179	74	5,316
Recoveries of allowances on previously written-off assets***	(138)	56	(385)	148	(319)
Write-offs	-	-	1,221	56	1,277
Foreign exchange differences and other movements	58	1	36	1	96
At the end of the period	(18,455)	(2,081)	(41,581)	(732)	(62,849)

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)

	31 March 2023 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	(113,665)	(17,767)	(269,840)	(21,116)	(422,388)
Transfer to Stage 1	(8,474)	1,206	7,268	-	-
Transfer to Stage 2	2,089	(2,664)	575	-	-
Transfer to Stage 3	5,741	2,462	(8,203)	-	-
Changes in risk parameters*	7,079	(2,099)	(41,460)	13,497	(22,983)
New originations or purchases of financial assets*	(15,966)	-	-	-	(15,966)
Derecognition of financial assets**	15,544	369	6,277	125	22,315
Recoveries of allowances on previously written-off assets***	-	-	712	(4,544)	(3,832)
Write-offs	-	-	2,074	17	2,091
Foreign exchange differences and other movements	510	(15)	1,076	604	2,175
At the beginning of the period	(107,142)	(18,508)	(301,521)	(11,417)	(438,588)

	31 March 2023 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total
Corporate business					
At the beginning of the period	(26,828)	(13,277)	(138,666)	(19,280)	(198,051)
Transfer to Stage 1	(5,657)	-	5,657	-	-
Transfer to Stage 2	35	(61)	26	-	-
Transfer to Stage 3	1,834	55	(1,889)	-	-
Changes in risk parameters*	3,257	1,122	(21,832)	13,322	(4,131)
New originations or purchases of financial assets*	(3,714)	-	-	-	(3,714)
Derecognition of financial assets**	10,297	266	3,502	124	14,189
Recoveries of allowances on previously written-off assets***	-	-	854	(4,462)	(3,608)
Write-offs	-	-	-	17	17
Foreign exchange differences and other movements	480	(20)	994	579	2,033
At the end of the period	(20,296)	(11,915)	(151,354)	(9,700)	(193,265)

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)

	31 March 2023 (unaudited)				
Retail Business	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	(74,364)	(3,108)	(93,919)	(125)	(171,516)
Transfer to Stage 1	(2,284)	708	1,576	-	-
Transfer to Stage 2	1,116	(1,642)	526	-	-
Transfer to Stage 3	2,825	1,943	(4,768)	-	-
Changes in risk parameters*	3,362	(2,121)	(11,533)	24	(10,268)
New originations or purchases of financial assets*	(9,003)	-	-	-	(9,003)
Derecognition of financial assets*/**	3,558	46	1,812	1	5,417
Recoveries of allowances on previously written-off assets***	-	-	(142)	(17)	(159)
Write-offs	-	-	700	-	700
Foreign exchange differences and other movements	40	(1)	18	14	71
At the end of the period	(74,750)	(4,175)	(105,730)	(103)	(184,758)

	31 March 2023 (unaudited)				
SME Business	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	(12,473)	(1,382)	(37,255)	(1,711)	(52,821)
Transfer to Stage 1	(533)	498	35	-	-
Transfer to Stage 2	938	(961)	23	-	-
Transfer to Stage 3	1,082	464	(1,546)	-	-
Changes in risk parameters*	460	(1,100)	(8,095)	151	(8,584)
New originations or purchases of financial assets*	(3,249)	-	-	-	(3,249)
Derecognition of financial assets*/**	1,689	57	963	-	2,709
Recoveries of allowances on previously written-off assets***	-	-	-	(65)	(65)
Write-offs	-	-	1,374	-	1,374
Foreign exchange differences and other movements	(10)	6	64	11	71
At the end of the period	(12,096)	(2,418)	(44,437)	(1,614)	(60,565)

* FS line "Credit loss expense" in the interim condensed consolidated statement of profit or loss is comprised from "Changes in risk parameters", "New originations or purchases of financial assets" and "Derecognition of financial assets".

*/** Derecognition of financial assets includes changes in the amount of provisions for fully repaid loans to customers.

***FS line "Recoveries of allowances on previously written-off assets" includes sums of income received from the repayment of previously written off assets, as well as adjustments to the gross carrying amount of loans resulting from the purchase of JSC Kazkommertsbank, and from the accrual of interest income on impaired loans.

JSC Halyk Bank

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued) (millions of Kazakhstani Tenge)

During the three months ended 31 March 2024 and 2023, the Group has written off loans of KZT 8,111 million and KZT 2,091 million, respectively, which allow the writing off loans without being considered forgiveness of the loan for tax purpose and are therefore not subject to corporate income tax.

Allowance for expected credit losses and provisions

For the three months ended 31 March 2024, credit loss expense on loans to customers comprised KZT 21,611 million (31 March 2023 – KZT 16,634 million).

11. Assets held for sale

After the default of some counterparties on loans to customers, the Group recognised the property pledged as collateral for those loans as assets held for sale at fair value. The assets have been subsequently measured at the lower of fair value less disposal costs or the carrying value, as the Group's management of the appropriate level committed to a plan to sell the assets and an active program to locate a buyer and complete the plan was initiated.

Assets held for sale comprised the following:

	31 March 2024 (unaudited)	31 December 2023
Assets held for sale related to OJSC Halyk Bank Kyrgyzstan	107,276	90,242
Land plots	11,747	12,578
Real estate	6,475	8,671
Movable property	309	51
Total assets classified as held for sale	125,807	111,542
Liabilities directly attributable to assets held for sale	78,168	58,422

OJSC Halyk Bank Kyrgyzstan is a commercial bank registered in Kyrgyzstan, which by type of activity is a universal bank. Created on 12 April 1999, in 2004 was acquired by JSC Halyk Bank of Kazakhstan. OJSC Halyk Bank Kyrgyzstan has 10 branches and provides a wide range of banking services. The share of participation of JSC Halyk Bank of Kazakhstan in the capital is 100%.

On 24 October 2023, an agreement was signed on the sale of 100% of the shares of OJSC Halyk Bank Kyrgyzstan. The completion of the transaction is planned after receiving the consent of the National Bank of the Kyrgyz Republic from the Buyer. The expected completion date for the sale of JSC Halyk Bank Kyrgyzstan is the 1st half of 2024, as such assets and liabilities of OJSC Halyk Bank Kyrgyzstan were classified as held for sale.

JSC Halyk Bank

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued) (millions of Kazakhstani Tenge)

The major classes of assets, net of impairment, and liabilities of OJSC Halyk Bank Kyrgyzstan as at 31 March 2024 are as follows:

	31 March 2024 (unaudited)	31 December 2023
Cash and cash equivalents	47,826	27,446
Obligatory reserves	2,869	2,897
Amounts due from credit institutions	121	71
Debt securities at amortized cost, net of allowance for expected credit losses	5,772	5,756
Loans to customers	41,901	41,585
Property and equipment and intangible assets	5,409	5,263
Long term assets classified as held for sale	310	418
Other assets	3,068	3,055
Assets of OJSC Halyk Bank Kyrgyzstan held for sale	107,276	86,491
Amounts due to customers	73,120	52,866
Amounts due to credit institutions	2,780	3,086
Debt securities issued	10	-
Provisions	125	136
Deferred tax liability	405	447
Other liabilities	1,728	1,887
Liabilities of OJSC Halyk Bank Kyrgyzstan directly related to assets held for sale	78,168	58,422
Net assets of OJSC Halyk Bank Kyrgyzstan held for sale	29,108	28,069

As a result of the reclassification of OJSC Halyk Bank Kyrgyzstan, the Group recognized an impairment loss in the amount of KZT 3,781 million for the year ended 31 December 2023 in the consolidated statement of profit or loss.

In November 2022, the Group performed an independent valuation of its assets held for sale and based on the results recognised an impairment loss of KZT 1,044 million, included to the “Loss from impairment of assets held for sale” in the consolidated statement of profit or loss.

Despite the Group actively marketing these assets for sale, the majority have not been sold within a short timeframe. However, the management remains committed to the sale of these assets. As the assets are carried at a price not exceeding the current fair value less costs to sell, they continued to be classified as held for sale as at 31 March 2024 and 31 December 2023.

The fair value of the Group's non-current assets held for sale was determined by independent appraisers. Income approach, comparative approach and cost-based approach were used to estimate the fair value of those non-current assets. To estimate the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)

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Details of the Group's assets held for sale and information about the fair value hierarchy as at 31 March 2024 and 31 December 2023 are as follows:

	Level 2	Level 3	Total
31 March 2024 (unaudited)			
Net assets of OJSC Halyk Bank Kyrgyzstan held for sale	-	29,108	29,108
Land plots	-	11,747	11,747
Real estate	623	5,852	6,475
Movable property	-	309	309
31 December 2023			
Net assets of OJSC Halyk Bank Kyrgyzstan held for sale	-	28,069	28,069
Land plots	-	12,578	12,578
Real estate	2,703	5,968	8,671
Movable property	-	51	51

12. Insurance contract assets and liabilities

Insurance contract assets and liabilities comprised the following:

	Liabilities for the remaining portion of coverage		31 March 2024 (unaudited)		Total
			Liabilities for incurred claims using the premium allocation method		
	Excluding loss component	Loss Component	Present value of future cash flows	Risk adjustment for non-financial risk	
Liabilities under insurance contracts at the beginning	199,401	7,451	49,849	16,364	273,065
Assets under insurance contracts at the beginning	10,289	-	-	-	10,289
Total as at 1 January 2024	189,112	7,451	49,849	16,364	262,776
Insurance revenue	(58,756)	-	-	-	(58,756)
Insurance expense:					
Incurred insurance losses and other incurred costs for insurance services	-	-	21,733	1,572	23,305
Amortization of acquisition cash flows	10,723	-	-	-	10,723
Changes attributed to past periods	-	-	3,719	1,988	5,707
Losses under groups of onerous contracts and restoration of such losses	-	(425)	-	-	(425)
Total expenses for insurance services taken into account in the assessment of liabilities	10,723	(425)	25,452	3,560	39,310
Result of insurance activities	(48,033)	(425)	25,452	3,560	(19,446)
Financial expenses or income from insurance contracts issued	(10)	515	733	186	1,424
Expenses from the revaluation of foreign currency	(252)	-	-	-	(252)
Total amounts recognized in profit or loss	(48,295)	90	26,185	3,746	(18,274)
Other changes	(51)	-	-	-	(51)
Cash flows for the period:					
Premiums received under insurance contracts issued	73,834	-	-	-	73,834
Payments for incurred insurance losses and other expenses for insurance services paid under issued insurance contracts, with the exception of acquisition cash flows	-	-	(13,978)	(1,951)	(15,929)
Acquisition cash flows	(6,513)	-	-	-	(6,513)
Total cash flows	67,270	-	(13,978)	(1,951)	51,341
Change in reserves for the period	18,975	90	12,207	1,795	33,067
Liabilities under insurance contracts at the end of the period	216,217	7,541	62,056	18,159	303,973
Assets under insurance contracts at the end of the period	8,130	-	-	-	8,130
Total as at 31 March 2024 (unaudited)	208,087	7,541	62,056	18,159	295,843

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
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	Liabilities for the remaining portion of coverage		Liabilities for incurred claims using the premium allocation method		Total
	Excluding loss component	Loss Component	Present value of future cash flows	Risk adjustment for non-financial risk	
Liabilities under insurance contracts at the beginning	175,050	6,878	35,690	5,690	223,308
Assets under insurance contracts at the beginning	4,094	-	-	-	4,094
Total as at 1 January 2023	170,956	6,878	35,690	5,690	219,214
Insurance revenue	(63,066)	-	-	-	(63,066)
Insurance expense:					
Incurred insurance losses and other incurred costs for insurance services	-	-	18,825	819	19,644
Amortization of acquisition cash flows	9,960	-	-	-	9,960
Changes attributed to past periods	-	-	4,151	2,297	6,448
Losses under groups of onerous contracts and restoration of such losses	-	19	-	-	19
Total expenses for insurance services taken into account in the assessment of liabilities	9,960	19	22,976	3,116	36,071
Result of insurance activities	(53,106)	19	22,976	3,116	(26,995)
Financial expenses or income from insurance contracts issued	(4)	10	946	43	995
Expenses from the revaluation of foreign currency	(327)	-	-	-	(327)
Total amounts recognized in profit or loss	(53,437)	29	23,922	3,159	(26,327)
Other changes	9	-	-	-	9
Cash flows for the period:					
Premiums received under insurance contracts issued	58,692	-	-	-	58,692
Payments for incurred insurance losses and other expenses for insurance services paid under issued insurance contracts, with the exception of acquisition cash flows	-	-	(7,233)	(1,322)	(8,555)
Acquisition cash flows	(7,837)	-	-	-	(7,837)
Total cash flows	50,864	-	(7,233)	(1,322)	42,309
Change in reserves for the period	(2,573)	29	16,689	1,837	15,982
Liabilities under insurance contracts at the end of the period	179,244	6,907	52,379	7,527	246,057
Assets under insurance contracts at the end of the period	10,861	-	-	-	10,861
Total as at 31 March 2023 (unaudited)	168,383	6,907	52,379	7,527	235,196

**Selected Explanatory Notes to the Interim Condensed
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The table below shows the carrying amounts of portfolio assets and liabilities under insurance and reinsurance contracts as of the end of the reporting period for each class of activity:

31 March 2024 (unaudited)

	Employer liability Annuities	Pension annuities	Endowment insurance	Term life insurance	Short-term agreements	Health insurance	Mandatory liability insurance for vehicle owners	Property insurance	Motor transport and liability insurance	Other	Total
LRC+LRCre											
Assets under issued insurance contracts	-	-	-	-	(33)	(40)	(4)	(7,843)	(80)	(130)	(8,130)
Liabilities under issued insurance contracts	15,714	100,985	33,046	2,983	77,588	5,182	8,140	30,866	11,701	17,768	303,973
Net amount	15,714	100,985	33,046	2,983	77,555	5,142	8,136	23,023	11,621	17,638	295,843

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31 December 2023

	Employer liability annuities	Pension annuities	Endowment insurance	Term life insurance	Short-term agreements	Health insurance	Mandatory liability insurance for vehicle owners	Property insurance	Motor transport and liability insurance	Other	Total
LRC+LRCre											
Assets under issued insurance contracts	-	-	-	-	(78)	(24)	-	(9,335)	(89)	(763)	(10,289)
Liabilities under issued insurance contracts	14,055	116,973	70,593	3,319	37,242	1,860	4,239	10,654	9,532	4,598	273,065
Net amount	14,055	116,973	70,593	3,319	37,164	1,836	4,239	1,319	9,443	3,835	262,776

The Group used the following yield curves to discount cash flows:

31 March 2024 (unaudited)	Currency	Life insurance					General insurance		
		1 year	5 years	10 years	20 years	30 years	1 year	5 years	10 years
Insurance contract	KZT	14.8%	12.2%	11.6%	11.8%	11.9%	15.1%	11.1%	12.0%
	USD	5.4%	4.3%	4.2%	4.1%	3.9%	-	-	-
	EUR	-	-	-	-	-	-	-	-
31 December 2023	Currency	1 year	5 years	10 years	20 years	30 years	1 year	5 years	10 years
Insurance contract	KZT	15.7%	12.6%	11.3%	10.9%	10.8%	16.4%	10.2%	10.2%
	USD	4.8%	3.5%	3.4%	3.5%	3.2%	5.6%	4.5%	4.5%
	EUR	-	-	-	-	-	4.0%	3.0%	3.1%

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An analysis of the concentration of the Group's insurance risks (both before and after reinsurance) by business class and by region is given in the following tables:

	31 March 2024 (unaudited)			31 December 2023		
	Net assets and liabilities under insurance contracts issued	Net assets and liabilities under reinsurance contracts held	Net amount	Net assets and liabilities under insurance contracts issued	Net assets and liabilities under reinsurance contracts held	Net amount
Employer Liability Annuities	15,714	-	15,714	14,055	-	14,055
Pension annuities	100,985	-	100,985	116,973	-	116,973
Endowment insurance	33,046	-	33,046	70,593	-	70,593
Term life insurance	2,983	(1,748)	1,235	3,319	(4,616)	(1,297)
Short-term contracts	77,555	(8,094)	69,461	37,164	(6,500)	30,664
Health insurance	5,142	(259)	4,883	1,836	(36)	1,800
Mandatory liability insurance for vehicle owners	8,136	-	8,136	4,239	-	4,239
Property insurance	23,023	(10,594)	12,429	1,319	(4,069)	(2,750)
Motor transport and liability insurance	11,621	(112)	11,509	9,443	(108)	9,335
Other	17,638	(8,931)	8,707	3,835	(2,126)	1,709
Total	295,843	(29,738)	266,105	262,776	(17,455)	245,321

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	31 March 2024 (unaudited)			31 December 2023		
	Net assets and liabilities under insurance contracts issued	Net assets and liabilities under reinsurance contracts held	Net amount	Net assets and liabilities under insurance contracts issued	Net assets and liabilities under reinsurance contracts held	Net amount
Concentration by region						
LRC						
Kazakhstan	227,618	7,104	220,514	205,910	5,562	200,348
OECD	(5,006)	(4,098)	(908)	(3,581)	(2,006)	(1,575)
Non-OECD	(2,617)	11,737	(14,354)	(5,772)	1,818	(7,590)
	219,995	14,743	205,252	196,557	5,374	191,183

	31 March 2024 (unaudited)			31 December 2023		
	Net assets and liabilities under insurance contracts issued	Net assets and liabilities under reinsurance contracts held	Net amount	Net assets and liabilities under insurance contracts issued	Net assets and liabilities under reinsurance contracts held	Net amount
Concentration by region						
LIC						
Kazakhstan	74,180	14,993	59,187	65,279	12,063	53,216
OECD	279	-	279	394	10	384
Non-OECD	1,389	2	1,387	546	8	538
	75,848	14,995	60,853	66,219	12,081	54,138

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
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Maturity analysis for portfolios of insurance contracts issued and reinsurance contracts held that represent liabilities

The following disclosure notes do not include all of the information required by IFRS 7. To better understand the specific disclosures required by IFRS 17, some of the disclosures required by IFRS 7 regarding financial issues. tools. IFRS 17:132(b) provides entities with a choice of how to provide a timing analysis of a) the estimated timing of the remaining undiscounted net contractual cash flows; or b) by the estimated timing of the estimates, taking into account the value of future reimbursement flows.

The following table discloses information only in relation to insurance products, which have material long-term component.

31 March 2024 (unaudited)	Book value	Less than a year	1-5 years	5-10 years	10-20 years	More than 20 years
Pension annuities	57,835	34,886	10,871	5,925	4,323	1,830
Halyk Kazyna	15,794	3,879	10,304	691	920	-
Total	73,629	38,765	21,175	6,616	5,243	1,830

31 December 2023	Book value	Less than a year	1-5 years	5-10 years	10-20 years	More than 20 years
Pension annuities	51,310	30,949	9,645	5,257	3,836	1,624
Halyk Kazyna	15,112	3,712	9,859	662	880	-
Total	66,422	34,661	19,504	5,919	4,716	1,624

13. Other assets

Other assets include:

	31 March 2024	31 December 2023
Other financial assets:		
Banking debtors	79,430	75,693
Finance lease receivables	19,243	17,273
Debtors for non-banking activities	15,849	13,115
Accrued commission income	8,279	7,207
Other	149	134
	122,950	113,422
Less – Allowance for expected credit losses	(32,361)	(31,656)
Total financial assets	90,589	81,766
Other non-financial assets:		
Investments in associated organizations	56,784	51,464
Prepaid taxes, excluding income tax	10,791	9,204
Prepayment for property, plant and equipment	9,515	8,042
Inventory	7,241	7,725
Other investments	5,062	3,874
Goodwill	3,055	3,055
Precious metals	2,387	2,253
Prepayment for investment property	2,330	2,737
Other	3,432	3,542
Total non-financial assets	100,597	91,896
Total other assets	191,186	173,662

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
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As at 31 March 2024, investments in associated organizations include investments in JSC Altyn Bank (SB of China CITIC Bank Corporation Ltd.) in the amount of KZT 56,555 million and Open Travel Networks Ltd in the amount of KZT 229 million (31 December 2023 – KZT 51,195 million and KZT 269 million, respectively).

14. Amounts due to customers

Amounts due to customers include the following:

	31 March 2024 (unaudited)	31 December 2023
Recorded at amortised cost:		
Term deposits:		
Individuals	4,962,819	4,808,592
Legal entities	3,809,577	3,338,099
	8,772,396	8,146,691
Current accounts:		
Legal entities	1,551,302	1,762,760
Individuals	887,585	1,020,053
	2,438,887	2,782,813
Total amounts due to customers	11,211,283	10,929,504

As at 31 March 2024, the Group's ten largest groups of related customers accounted for approximately 12% of the total amounts due to customers (31 December 2023 – 11%), where each group of related customers represents customers related to each other within that group.

As at 31 March 2024, amounts due to customers included amounts held as collateral of KZT 161,912 million (31 December 2023 – KZT 171,838 million).

Management believes that in the event of withdrawal of funds, the Group would be given sufficient notice to realise its liquid assets to secure the repayment.

In the first quarter of 2024, the Group recognized the loss in amount of KZT 66,114 million in the consolidated income statement for the three months ended 31 March 2024 due to the early repayment of the deposit of JSC Kazakhstan Sustainability Fund.

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)

An analysis of customer accounts by sectors is as follows:

	31 March 2024 (unaudited)	%	31 December 2023	%
Individuals and entrepreneurs	5,850,404	52%	5,828,645	54%
Wholesale trade	718,183	6%	842,830	8%
Other consumer services	638,952	6%	679,724	6%
Financial sector	566,119	5%	457,576	4%
Construction	523,884	5%	557,885	5%
Transportation	515,649	5%	404,404	4%
Oil and gas	476,936	4%	454,390	4%
Metallurgy	450,028	4%	357,750	3%
Healthcare and social services	295,293	3%	262,791	2%
Government and state-controlled companies	180,402	2%	103,978	1%
Education	177,606	2%	161,137	1%
Energy	147,073	1%	106,071	1%
Communication	96,618	1%	131,413	1%
Insurance and pension funds activity	89,600	1%	97,300	1%
Other	484,536	4%	483,610	4%
	11,211,283	100%	10,929,504	100%

15. Amounts due to credit institutions

Amounts due to credit institutions comprise:

	31 March 2024 (unaudited)	31 December 2023
Recorded at amortised cost:		
Loans and deposits from non-OECD based banks	121,807	64,404
Loans and deposits from Kazakhstan banks (incl. loans under repurchase agreements)	117,081	285,349
Loans and deposits from OECD based (incl. loans under repurchase agreements)	109,643	143,511
Loans from JSC Entrepreneurship Development Fund DAMU	84,494	84,991
Loans from JSC Development Bank of Kazakhstan	80,931	80,873
Correspondent accounts	75,883	60,205
Loans from JSC Agrarian Credit Corporation	48,564	27,923
Loans from JSC Industrial Development Fund	24,752	22,637
Deposits of JSC "National Payment Corporation of the National Bank of the Republic of Kazakhstan"	4,979	6,890
Loans from other financial institutions	1,681	1,528
Total amounts due to credit institutions	669,815	778,311

As at 31 March 2024, loans from JSC Entrepreneurship Development Fund DAMU ("DAMU") included long-term loans of KZT 82,094 million at a 1.0% - 4.5% interest rate maturing in 2022-2035 with an early recall option (31 December 2023 – KZT 82,904 million). These loans were received in accordance with the Government program ("the Program") to finance small and medium enterprises ("SME") operating in certain industries. According to the loan agreements between DAMU and the Group, the Group is responsible to extend loans to SME borrowers, eligible to participate in the Program, up to 10 years at a 5.0% interest rate.

**Selected Explanatory Notes to the Interim Condensed
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As at 31 March 2024, the Group entered into an agreement with DAMU to provide a credit line for financing leasing transactions of small and medium-sized businesses in the amount of KZT 1,722 million with maturity until 2029. Under the terms of the loan agreement, loans are issued at a rate of 13%, provided that the Group obtains sufficient collateral.

As at 31 March 2024, loans from JSC Development Bank of Kazakhstan (“DBK”) included long-term loans of KZT 36,844 million (31 December 2023 – KZT 36,844 million) at a 2.0% interest rate maturing in 2029 – 2037, to finance corporate enterprises operating in manufacturing industries, as well as a long-term loan of KZT 43,796 million (31 December 2023 – KZT 43,796 million) at a 1.0% interest rate maturing in 2035, to finance the purchase of cars by the Group’s retail customers. According to the loan agreement between DBK and the Group, the Group is responsible to extend loans to corporate borrowers, eligible to participate in the Program, up to 10 years at a 6.0% interest rate, and to retail borrowers – up to 5 years at a 4.0% interest rate.

As at 31 March 2024, loans from JSC Industrial Development Fund (“IDF”) included long-term loans of KZT 24,500 million (31 December 2023 – KZT 22,500 million) at 1.0% interest rate maturing in 2052 to finance the purchase of domestically produced vehicles by the Group’s retail customers. According to the loan agreement between the IDF and the Group, the Group is responsible for providing loans to retail business borrowers at a rate of 4.0% with a maturity of no more than 7 years.

As at 31 March 2024, loans from JSC Agrarian Credit Corporation under the “Ken-Dala” program included long-term loans in the amount of KZT 48,500 million (31 December 2023 – KZT 27,775 million) at 1.5%-5% interest rate with a repayment period until 18 November 2025. Loans must be used for subsequent lending to subjects of the agro-industrial complex at 4%-5% interest rate for the final borrower, with a loan period until 1 November 2025. According to the loan agreements between JSC Agrarian Credit Corporation and the Group, loans are provided to replenish working capital for spring field and harvesting work.

The management of the Group believes that there are no other similar financial instruments and, due to their special nature, these loans from DAMU, IDF, JSC Agrarian Credit Corporation and DBK represent separate segments in the lending market for agricultural entities, SME and retail lending. As a result, the loans from DAMU, DBK, JSC Agrarian Credit Corporation and IDF were received as part of an orderly transaction and, as such, were recorded at fair value at the date of recognition, which was determined to be the cash consideration transferred to the customers.

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)

Interest rates and maturities of amounts due to credit institutions are as follows:

	31 March 2024 (unaudited)		31 December 2023	
	Interest rate, %	Maturity, year	Interest rate, %	Maturity, year
Loans and deposits from non-OECD based banks	1.8%-19.0%	2024-2027	3.0%-25.0%	2024-2027
Loans and deposits from Kazakhstan banks (incl. loans under repurchase agreements)	6.0%-17.0%	2024-2026	4.0%-17.0%	2024-2026
Loans and deposits from OECD based banks (incl. loans under repurchase agreements)	6.0%-6.8%	2024-2025	6.0%-6.8%	2024-2025
Loans from JSC Entrepreneurship Development Fund DAMU	1.0%-13.0%	2024-2035	1.0%-13.0%	2024-2035
Loans from JSC Development Bank of Kazakhstan	1.0%-2.0%	2029-2037	1.0%-2.0%	2029-2037
Loans from JSC Agrarian Credit Corporation	1.5%-5.0%	2024-2025	1.5%-5.0%	2024-2025
Loans from JSC Industrial Development Fund	1.0%	2052	1.0%	2052
Deposits of JSC "National Payment Corporation of the National Bank of the Republic of Kazakhstan"	13.80%	2024	14.8%	2024
Loans from other financial institutions	13.80%	2024	15.0%	2024

The fair value of assets pledged and the carrying value of loans included in loans and deposits from Kazakhstan banks under repurchase agreements as at 31 March 2024 and 31 December 2023, are as follows:

	31 March 2024 (unaudited)		31 December 2023	
	Fair value of collateral	Carrying amount of loans	Fair value of collateral	Carrying amount of loans
Debt securities at amortized cost, net of allowance for expected credit losses (Note 9)	97,391	96,831	269,231	268,663
Financial assets at fair value through profit or loss (Note 6)	17,534	17,342	12,110	12,098
Financial assets at fair value through other comprehensive income (Note 8)	141,412	109,643	188,100	147,042
	256,337	223,816	469,442	427,803

Details of transferred financial assets that are not derecognised in their entirety as at 31 March 2024 and 31 December 2023, are disclosed below.

In accordance with the contractual terms of the loans from certain OECD based banks, the Group is required to maintain certain financial ratios, particularly with regard to capital adequacy. Loans under repurchase agreements are used by the Group to provide current cash flows in KZT within the Group's operating activities. The Group regularly uses this type of instrument to attract short-term liquidity and plans to continue raising funds through loans under repurchase agreements when necessary.

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
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The Group has determined that it retains substantially all the risks and rewards of these securities, which include credit risk and market risk, and therefore it has not derecognised them. In addition, it recognises a financial liability for cash received as collateral.

	Debt securities at amortized cost, net of allowance for expected credit losses (Note 9)	Financial assets at fair value through profit or loss (Note 6)	Financial assets at fair value through other comprehensive income (Note 8)
As at 31 March 2024 (unaudited):			
Fair value of transferred assets	97,391	17,534	141,412
Carrying amount of associated liabilities	96,831	17,342	109,643
As at 31 December 2023:			
Fair value of transferred assets	269,231	12,110	188,100
Carrying amount of associated liabilities	268,663	12,098	147,042

Certain of the Group's outstanding financing agreements include covenants restricting the Group's ability to create security interests over its assets. Should the Group default under these covenants, this could result in cross-accelerations and cross-defaults under the terms of the Group's other financing arrangements.

The management of the Group believes that as at 31 March 2024 and 31 December 2023 the Group was in compliance with covenants.

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
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16. Debt securities issued

Debt securities issued consisted of the following:

	31 March 2024 (unaudited)	31 December 2023
Recorded at amortised cost:		
Subordinated debt securities issued:		
KZT denominated bonds, fixed rate	97,651	94,246
Total subordinated debt securities outstanding	97,651	94,246
Unsubordinated debt securities issued:		
USD denominated bonds	323,879	324,803
KZT denominated bonds	234,205	234,344
Total unsubordinated debt securities outstanding	558,084	559,147
Total debt securities outstanding	655,735	653,393

On 17 May 2023 the Group issued bonds listed on AIX in the total amount of USD 200 million with a coupon rate of 3.5%, of which as at 31 March 2024 USD 185.5 million were placed.

On 29 May 2023 the Group issued bonds listed on AIX in the total amount of USD 300 million with a coupon rate of 3.5%, of which as at 31 March 2024 USD 299.9 million were placed.

On 3 July 2023 the Group issued bonds listed on AIX in the total amount of USD 500 million with a coupon rate of 3.5%, of which as at 31 March 2024 USD 229.8 million were placed.

The coupon rates and maturities of these debt securities issued are as follows:

	31 March 2024 (unaudited)		31 December 2023	
	Coupon rate, %	Maturity, year	Coupon rate, %	Maturity, year
Subordinated debt securities issued:				
KZT denominated bonds, fixed rate	9.5%	2025	9.5%	2025
Unsubordinated debt securities issued:				
KZT denominated bonds	7.5%	2024-2025	7.5%	2024-2025
USD denominated bonds	3.5%-4.0%	2025	3.5%-4.0%	2025

As at 31 March 2024, accrued interest on debt securities issued was KZT 11,838 million (as at 31 December 2023 – KZT 9,003 million).

Subordinated securities are unsecured obligations of the Group and are subordinated in right of payments to all present and future senior indebtedness and certain other obligations of the Group. Coupon payments on debt securities issued are payable on a semi-annual and an annual basis.

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
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Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 January 2024	Cash changes		Non-cash changes		31 March 2024 (unaudited)
		Issuance of debt securities	Redemption and repayment of debt securities	Foreign exchange movement	Changes in amortised cost	
Debt securities issued	653,393	3,652	-	(5,602)	4,292	655,735

	1 January 2023	Cash changes		Non-cash changes		31 March 2023 (unaudited)
		Issuance of debt securities	Redemption and repayment of debt securities	Foreign exchange movement	Changes in amortised cost	
Debt securities issued	462,817	1,610	(45,869)	(2,517)	3,597	419,638

17. Taxation

The income tax expense comprises:

	Three months ended 31 March 2024 (unaudited)	Three months ended 31 March 2023 (unaudited)
Current income tax expense	43,355	32,398
Deferred income tax (benefit)/expense	(12,726)	1,574
Total income tax expense	30,629	33,972

The income tax rate for Kazakhstan legal entities was 20% for the three months ended 31 March 2024 and 2023. According to the provisions of the Tax Code of the Republic of Kazakhstan, income on government securities is not subject to CIT, while from 1 March 2024, income received by second-tier banks in relation to government issue-grade securities issued by the NBRK is taxed. Additionally, income in the form of remuneration on debt securities located on the date of accrual of such remuneration in the official list of the stock exchange operating in the territory of the Republic of Kazakhstan is not subject to CIT, while from 1 March 2024, income received by second-tier banks in relation to state-issued securities is taxed. securities issued by the National Bank of Kazakhstan.

The income tax rate in the Kyrgyz Republic, Georgia and the Republic of Uzbekistan is 10%, 20% and 20%, respectively.

The Group's effective income tax rate for the three months ended 31 March 2024 is 17.2% (for three months ended 31 March 2023 – 17.9%).

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
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The Group has offset deferred tax assets and liabilities on the interim condensed consolidated statement of financial position where a right of offset existed.

Management believes that the Group is in compliance with the tax laws affecting its operations; however, the risk remains that relevant authorities could take differing positions with regard to interpretive issues.

18. Other liabilities

Other liabilities include:

	31 March 2024 (unaudited)	31 December 2023
Liabilities from continuing involvement	105,097	104,921
Banking creditors	46,763	52,130
Accrual for settlements with employees, bonuses and vacations	42,703	35,110
Lenders for non-banking activities	19,374	16,332
Other advances received	12,522	13,597
Tax debts other than income tax	11,323	8,416
Commercial Real Estate Lenders	7,467	3,838
Lease liabilities	4,654	4,965
General and administrative expenses payable	4,150	2,641
Other	393	806
Total other liabilities	254,446	242,756

The liability from continuing involvement represents obligations towards JSC Kazakhstan Sustainability Fund (hereinafter referred to as the “Operator”) associated with the state mortgage program “7-20-25” and other programs. In accordance with the terms of this program, the Bank provides mortgage loans to borrowers and transfers the rights of claim on the loans to the Program Operator. In accordance with the program and the trust management agreement, the Bank carries out trust management of the transferred mortgage loans. At the same time, the Bank is obliged to redeem the rights of claim on the transferred mortgage loans if there is a delay in the principal debt and interest on loans for more than 90 calendar days. The repurchase is carried out at the nominal value of the loan on the date of purchase.

The Bank has determined that It has no transferred or retained all the risks and rewards of ownership of these assets, in particular credit risk, but has retained control of the transferred assets and continues to recognize loans to the extent of its continuing involvement in them. The extent of the continuing involvement is limited to the maximum amount of consideration received that the Bank may be required to repay because the Banks continuing involvement takes the form of a guarantee over the transferred asset. Because the Bank continues to recognize an asset to the extent of its continuing involvement in loans to customers, the Bank also recognizes an associated liability.

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
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19. Equity

The number of shares authorised, issued and fully paid as at 31 March 2024 and 31 December 2023, were as follows:

	Share capital authorised	Share capital authorised and not issued	Fully paid and issued share capital	Share capital repurchased	Outstanding shares
31 March 2024 (unaudited):					
Common	25,000,000,000	(11,552,455,218)	13,447,544,782	(2,544,279,169)	10,903,265,613
31 December 2023:					
Common	25,000,000,000	(11,552,455,218)	13,447,544,782	(2,545,373,191)	10,902,171,591

All shares are KZT denominated. Movements of shares outstanding are as follows:

	Number of shares Common	Nominal (placement) amount (millions of KZT) Common
31 December 2022	10,883,868,379	(51,508)
Purchases of treasury shares	(10,653,349)	(1,509)
Sale of treasury shares	28,956,561	3,530
31 December 2023	10,902,171,591	(49,487)
Purchases of treasury shares	(2,767,620)	(452)
Sale of treasury shares	3,861,642	559
31 March 2024 (unaudited)	10,903,265,613	(49,380)

Repurchased securities are held as treasury shares as a reduction of shareholders' equity and, in accordance with the laws of the Republic of Kazakhstan, cannot be cancelled. At the same time, the repurchased treasury shares of the Bank are not included in the calculation of basic and diluted earnings per share ("EPS") and dividend per share. In the event that the Bank sells the repurchased shares, the standard procedure established by the legislation of the Republic of Kazakhstan for declared but not placed shares will be applied.

Common shares

As at 31 March 2024 and 31 December 2023, share capital comprised KZT 209,027 million.

As at 31 March 2024, the Group held 2,544,279,169 shares of the Group's common shares as treasury shares at KZT 258,407 million (31 December 2023 – 2,545,373,191 shares at KZT 258,514 million).

Each common share outstanding is entitled to one vote and dividends. Treasury shares are not entitled to any vote or dividends.

Share premium reserve

Share premium reserve represents an excess of contributions received over the nominal value of shares issued.

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)

20. Commitments and contingencies, provisions

The Group's financial commitments and contingencies comprised the following:

	31 March 2024 (unaudited)	31 December 2023
Guarantees issued	936,344	820,260
Commercial letters of credit	116,399	120,497
Commitments to extend credit	67,994	65,207
Financial commitments and contingencies	1,120,737	1,005,964
Less: cash collateral against letters of credit	(38,597)	(45,279)
Less: provisions	(8,633)	(11,695)
Financial commitments and contingencies, net	1,073,507	948,990

Guarantees issued represent bank guarantees issued by the Group by order of its clients, and which are in effect as at the reporting date. As at 31 March 2024, uncovered guarantees issued for the ten largest groups of customers/groups of customers accounted for 48% of the Group's total financial guarantees (31 December 2023 – 46%) and represented 17% of the Group's total equity (31 December 2023 – 16%).

Commercial letters of credit represent letters of credit issued by the Group by order of its clients, and under which, as at the reporting date, the payment has not yet been made. As at 31 March 2024, the ten largest unsecured letters of credit accounted for 60% of the Group's total commercial letters of credit (31 December 2023 – 57%) and represented 3% of the Group's total equity (31 December 2023 – 3%).

The Group requires the provision of collateral when originating financial instruments related to borrowing. The exception is when it is determined that there is no need for collateral as a result of an assessment of the borrower's credit risk or an analysis of other deposits held by the Group. Collateral varies and may include deposits held in banks, government securities and other assets.

Provision represents other credit loss expenses against letters of credit and guarantees issued.

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)

The movements in provisions were as follows:

	Three months ended 31 March 2024 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total
At the beginning of the period	(1,776)	(3,218)	(6,701)	(11,695)
Transfer to Stage 1	(421)	-	421	-
(Additional provisions recognized)/recoveries of provisions	476	193	2,339	3,008
Foreign exchange differences	18	21	15	54
At the end of the period	(1,703)	(3,004)	(3,926)	(8,633)

	Three months ended 31 March 2023 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total
At the beginning of the period	(9)	(6,714)	(7,050)	(13,773)
Transfer to Stage 1	(5,172)	-	5,172	-
Transfer to Stage 2	1	(1)	-	-
Transfer to Stage 3	1,301	-	(1,301)	-
Recoveries of provisions/(additional provisions recognized)	3,878	240	(2,866)	1,252
Foreign exchange differences	(170)	122	337	289
At the end of the period	(171)	(6,353)	(5,708)	(12,232)

Capital commitments

As at 31 March 2024, the Group had capital expenditures commitments in respect of construction in progress for KZT 32,703 million, of which KZT 31,985 million relates to the construction of the Bank's administrative building in Astana (31 December 2023 – KZT 35,790 million).

Operating lease commitments

There were no material operating lease commitments under irrevocable operating leases outstanding as at 31 March 2024 and 31 December 2023.

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)

21. Net interest income

	Three months ended 31 March 2024 (unaudited)	Three months ended 31 March 2023 (unaudited)
Interest income:		
Loans to customers	396,319	304,461
- <i>Corporate business</i>	167,369	139,884
- <i>Retail business</i>	158,574	115,854
- <i>SME business</i>	70,376	48,723
Debt securities at amortised cost, net of allowance for expected credit losses	13,423	19,755
Financial assets at fair value through other comprehensive income	42,059	31,823
Amounts due from credit institutions and cash and cash equivalents	30,982	13,940
Other assets	1,658	2,288
Interest income calculated using effective interest method	484,441	372,267
Financial assets at fair value through profit or loss	11,813	8,002
Other interest income	11,813	8,002
Total interest income	496,254	380,269
Interest expense:		
Amounts due to customers	(220,538)	(163,457)
- <i>Individuals</i>	(115,763)	(76,341)
- <i>Legal entities</i>	(104,775)	(87,116)
Debt securities issued	(11,016)	(8,746)
Amounts due to credit institutions	(9,945)	(10,888)
Other liabilities	(519)	(5,086)
Total interest expense	(242,018)	(188,177)
Net interest income before credit loss expense	254,236	192,092

Other interest and similar expense includes loss on initial recognition of long-term financial accounts receivable.

For the three months ended 31 March 2024, the total interest income calculated using the effective interest rate ("EIR") method for financial assets measured at amortised cost comprised KZT 442,382 million (for the three months ended 31 March 2023: KZT 339,793 million).

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)

22. Fees and commissions

Fee and commission income is derived from the following sources:

	Three months ended 31 March 2024 (unaudited)	Three months ended 31 March 2023 (unaudited)
Transactional income of individuals	34,911	32,735
Transactional income of legal entities	8,836	9,579
Letters of credit and guarantees issued	5,993	3,977
Other	2,528	2,284
Loyalty program	(2,194)	(1,170)
Total fee and commission income	50,074	47,405

Fee and commission expense is derived from the following sources:

	Three months ended 31 March 2024 (unaudited)	Three months ended 31 March 2023 (unaudited)
Transactional expense of individuals	(19,179)	(18,614)
Deposit insurance	(3,748)	(1,645)
Transactional expense of legal entities	(1,126)	(1,083)
Other	(529)	(1,144)
Total fee and commission expense	(24,582)	(22,486)

Transactional income of individuals and legal entities includes fee and commission income derived from bank transfers on settlements and salary projects, maintenance of customer accounts and plastic card operations, cash operations and servicing customers' pension payments.

Transactional expense of individuals and legal entities includes fee and commission expense derived from payment cards, bank transfers and cash operations.

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
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23. Net gain from financial assets and liabilities at fair value through profit or loss

Net gain on financial assets and liabilities at fair value through profit or loss comprises:

	Three months ended 31 March 2024 (unaudited)	Three months ended 31 March 2023 (unaudited)
Net gain on operations with financial assets and liabilities classified as held for trading:		
Realized net gain on derivative operations	18,408	4,918
Net gain on trading operations	9,881	2,666
Unrealized net gain on derivative operations	3,259	1,551
Total net gain on operations with financial assets and liabilities classified as held for trading	31,548	9,135

24. Net gain on foreign exchange operations

Net foreign exchange gain comprises:

	Three months ended 31 March 2024 (unaudited)	Three months ended 31 March 2023 (unaudited)
Dealing, net	28,300	25,939
Translation differences, net	(15,825)	(5,802)
Total net foreign exchange gain	12,475	20,137

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)

25. Insurance revenue and insurance service expense

B following tables illustrate an analysis of insurance revenue recognized during this period:

Three months ended 31 March 2024 (unaudited)											
	Employer Liability Annuities	Pension annuities	Endowment insurance	Term life insurance	Short-term contracts	Health insurance	Mandatory liability insurance for vehicle owners	Property insurance	Motor transport and liability insurance	Other	Total
Insurance revenue	2,359	5,229	10,988	284	5,655	2,634	2,855	12,183	3,087	6,614	51,888
Release of risk adjustment	5	780	107	40	-	-	-	-	-	-	932
Margin amortization	259	1,443	675	186	-	-	-	-	-	-	2,563
Depreciation of acquisition costs	3	141	234	2,995	-	-	-	-	-	-	3,373
Total insurance revenue	2,626	7,593	12,004	3,505	5,655	2,634	2,855	12,183	3,087	6,614	58,756
Three months ended 31 March 2023 (unaudited)											
	Employer Liability Annuities	Pension annuities	Endowment insurance	Term life insurance	Short-term contracts	Health insurance	Mandatory liability insurance for vehicle owners	Property insurance	Motor transport and liability insurance	Other	Total
Insurance revenue	1,664	6,511	7,998	603	21,523	1,550	2,127	10,123	2,091	2,196	56,386
Release of risk adjustment	22	3,190	439	162	-	-	-	-	-	-	3,813
Margin amortization	289	1,615	755	208	-	-	-	-	-	-	2,867
Depreciation of acquisition costs	-	-	-	-	-	-	-	-	-	-	-
Total insurance revenue	1,975	11,316	9,192	973	21,523	1,550	2,127	10,123	2,091	2,196	63,066

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
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Three months ended 31 March 2024 (unaudited)											
	Employer Liability Annuities	Pension annuities	Endowment insurance	Term life insurance	Short-term contracts	Health insurance	Mandatory liability insurance for vehicle owners	Property insurance	Motor transport and liability insurance	Other	Total
Costs for insurance services:											
incurred insurance losses and other incurred costs for insurance services	(1,755)	(3,039)	(8,017)	(113)	(4,504)	(2,569)	(2,683)	(1,675)	(2,110)	(1,125)	(27,590)
amortization of acquisition cash flows	(1)	(58)	(96)	(1,236)	(3,352)	(136)	(1,477)	(526)	(1,530)	(1,292)	(9,704)
changes that are attributed to past periods	-	-	(63)	(101)	1,800	(358)	(43)	(26)	(184)	(3,101)	(2,076)
Restoration of losses under groups of onerous contracts	46	-	158	39	-	-	-	-	(183)	-	60
Total expenses for insurance services taken into account in the assessment of liabilities	(1,710)	(3,097)	(8,018)	(1,411)	(6,056)	(3,063)	(4,203)	(2,227)	(4,007)	(5,518)	(39,310)
Expenses associated with insurance (reinsurance) activities	-	-	-	-	-	97	105	55	75	53	385
Total expenses for insurance services	(1,710)	(3,097)	(8,018)	(1,411)	(6,056)	(2,966)	(4,098)	(2,172)	(3,932)	(5,465)	(38,925)

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
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Three months ended 31 March 2023 (unaudited)											
	Employer Liability Annuities	Pension annuities	Endowment insurance	Term life insurance	Short-term contracts	Health insurance	Mandatory liability insurance for vehicle owners	Property insurance	Motor transport and liability insurance	Other	Total
Costs for insurance services:											
incurred insurance losses and other incurred costs for insurance services	(1,407)	(2,492)	(6,786)	(31)	(5,295)	(1,157)	(1,241)	(377)	(1,556)	(1,140)	(21,482)
amortization of acquisition cash flows	(1)	(45)	(74)	(946)	(2,556)	(140)	(1,252)	(425)	(829)	(964)	(7,232)
changes that are attributed to past periods	-	-	(89)	(144)	2,564	(276)	(240)	786	(441)	(2,377)	(217)
Losses under groups of onerous contracts and restoration of such losses	(1,281)	-	(4,432)	(1,103)	-	-	-	-	(324)	-	(7,140)
Total expenses for insurance services taken into account in the assessment of liabilities	(2,689)	(2,537)	(11,381)	(2,224)	(5,287)	(1,573)	(2,733)	(16)	(3,150)	(4,481)	(36,071)
Expenses associated with insurance (reinsurance) activities	-	-	-	-	-	42	45	14	56	29	186
Total expenses for insurance services	(2,689)	(2,537)	(11,381)	(2,224)	(5,287)	(1,531)	(2,688)	(2)	(3,094)	(4,452)	(35,885)

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
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26. Operating expenses

Operating expenses comprised:

	Three months ended 31 March 2024 (unaudited)	Three months ended 31 March 2023 (unaudited)
Salaries and other employee benefits	34,688	28,534
Depreciation and amortization expenses	4,882	4,349
Taxes other than income tax	2,504	2,048
Communication	2,072	1,380
Information services	1,859	1,694
Utilities expenses	1,522	1,388
Security	1,355	1,397
Advertisement	1,012	648
Repairs and maintenance	910	663
Rent	888	798
Stationery and office supplies	646	723
Professional services	569	214
Charity	283	243
Other	3,497	2,347
Total operating expenses	56,687	46,426

27. Income on non-banking activities

	Three months ended 31 March 2024 (unaudited)	Three months ended 31 March 2023 (unaudited)
Net gain on sale of commercial property	3,547	4,434
Net gain on sale of investment property	232	36
Net gain on sale of assets classified as held for sale	4	71
Other income on non-banking activities	811	141
Income on non-banking activities	4,594	4,682

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
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28. Earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit for the period attributable to equity holders of the Bank by the weighted average number of participating shares outstanding during the period.

The following table presents basic and diluted earnings per share:

	Three months ended 31 March 2024 (unaudited)	Three months ended 31 March 2023 (unaudited)
Basic and diluted earnings per share		
Net profit for the period attributable to equity holders of the parent	177,964	192,454
Earnings attributable to common shareholders	177,964	192,454
Weighted average number of common shares for the purposes of basic earnings per share	10,903,033,835	10,884,039,736
Basic and diluted earnings per share (in Tenge)	16.32	17.68

As required by KASE rules for listed companies, the book value of one share per each class of shares as at 31 March 2024 and 31 December 2023 is disclosed as follows:

Class of shares	31 March 2024 (unaudited)		
	Outstanding shares	Equity (as calculated per KASE rules)	Book value of one share, in KZT
Common	10,903,265,613	2,651,392	243.17
		2,651,392	

Class of shares	31 December 2023		
	Outstanding shares	Equity (as calculated per KASE rules)	Book value of one share, in KZT
Common	10,902,171,591	2,463,607	225.97
		2,463,607	

Equity attributable to common shares is calculated as the difference between the total equity and total net book value of intangible assets.

The management of the Group believes that it fully complies with the requirement of KASE as at the reporting date.

**Selected Explanatory Notes to the Interim Condensed
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29. Financial risk management

Risk management is fundamental to the Group's banking business and is an essential element of the Group's operations. The main risks inherent to the Group's operations are those related to credit risk, liquidity risk and market/currency risks.

The Group's significant policies and procedures related to financial risk management has not changed during 3 months ended 31 March 2024 and are disclosed in the annual consolidated financial statements for the year ended 31 December 2023.

Liquidity Risk

Liquidity risk is the risk associated with the Group's inability to secure sufficient cash to meet its obligations on time. The Group's liquidity risk arises as a result of a discrepancy (mismatch) between the terms of claims on active operations and the maturities of liabilities.

As part of the risk management system, liquidity risk is measured and controlled through the following tools:

- monitoring compliance with regulatory (prudential) liquidity ratios;
- setting and regular monitoring of internal limits and triggers for liquidity risk: risk appetite level, VLARP indicator, limit on GAP gaps, liability concentration limits, indicators of early warning about liquidity risk;
- analysis of contractual maturities (GAP-analysis) and cash flow forecasting, including: planned transactions, projected rollover of attracted customer funds (taking into account the calculation of the stable part of funding);
- analysis of the concentration of funding sources (by largest depositors, by currency, by maturity of funding, by source of funding);
- indicators of early warning about liquidity risk, allowing to monitor and control liquidity risk;
- analysis of the volume of assets that can be used as collateral to raise liquidity;
- developing and regularly testing a contingency financing plan outlining a process for addressing liquidity shortages in emergency situations. The Contingency Funding Plan has been developed to define a set of procedures and activities to facilitate timely response to liquidity stress situations, including those identified as a result of stress testing;
- stress testing of the impact of changes in various macroeconomic and other factors and parameters on liquidity.

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)

In order to manage liquidity risk, the Group analyses the financial assets and liabilities, and obligatory reserves taking into account payment schedules for loans issued to customers. The following tables provide an analysis of financial assets and liabilities grouped on the basis of the remaining period from the reporting date to the earliest of the contractual maturity date or available maturity date, except for financial assets at fair value through profit or loss in the form of securities (excluding derivative financial instruments) which are included in the column “Less than 1 month” as they are available to meet the Group’s short-term liquidity needs.

	31 March 2024 (unaudited)					
	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
FINANCIAL ASSETS:						
Cash and cash equivalents	1,623,550	2,679	-	-	-	1,626,229
Obligatory reserves	120,861	21,926	73,501	21,187	9,807	247,282
Financial assets at fair value through profit or loss	598,491	466	2,469	18,347	-	619,773
Amounts due from credit institutions	113,344	10,282	29,554	557	296	154,033
Financial assets at fair value through other comprehensive income	30,600	51,845	563,756	1,247,528	623,185	2,516,914
Debt securities at amortised cost, net of allowance for expected credit losses	-	5	217,289	505,503	-	722,797
Loans to customers	387,080	689,572	4,688,516	3,084,372	449,752	9,299,292
Other financial assets	56,562	2,985	11,310	15,190	4,542	90,589
	2,930,488	779,760	5,586,395	4,892,684	1,087,582	15,276,909
FINANCIAL LIABILITIES:						
Amounts due to customers	5,699,301	1,126,463	3,434,597	590,884	360,038	11,211,283
Amounts due to credit institutions	291,563	5,995	119,069	81,245	171,943	669,815
Financial liabilities at fair value through profit or loss	3,302	-	-	592	-	3,894
Debt securities issued	-	5,410	229,141	421,184	-	655,735
Other financial liabilities	168,206	3,326	8,241	230	427	180,430
	6,162,372	1,141,194	3,791,048	1,094,135	532,408	12,721,157
Net position	(3,231,884)	(361,434)	1,795,347	3,798,549	555,174	2,555,752
Accumulated gap	(3,231,884)	(3,593,318)	(1,797,971)	2,000,578	2,555,752	

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
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	31 December 2023					
	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
FINANCIAL ASSETS:						
Cash and cash equivalents	1,377,315	-	-	-	-	1,377,315
Obligatory reserves	122,468	23,652	64,201	24,272	10,273	244,866
Financial assets at fair value through profit or loss	569,008	337	2,029	17,988	-	589,362
Amounts due from credit institutions	99,434	2,669	53,199	16,171	281	171,754
Financial assets at fair value through other comprehensive income	98,807	109,353	505,451	1,169,237	543,054	2,425,902
Debt securities at amortised cost, net of allowance for expected credit losses	42	9,960	208,067	507,274	-	725,343
Loans to customers	318,822	731,541	4,812,666	2,976,729	445,114	9,284,872
Other financial assets	50,216	2,096	11,305	14,026	4,123	81,766
	2,636,112	879,608	5,656,918	4,725,697	1,002,845	14,901,180
FINANCIAL LIABILITIES:						
Amounts due to customers	5,472,599	1,182,508	3,267,492	618,404	388,501	10,929,504
Amounts due to credit institutions	429,220	50,924	19,798	106,426	171,943	778,311
Financial liabilities at fair value through profit or loss	3,672	-	-	530	-	4,202
Debt securities issued	1,734	3,785	103,604	544,270	-	653,393
Other financial liabilities	170,969	1,463	8,274	642	446	181,794
	6,078,194	1,238,680	3,399,168	1,270,272	560,890	12,547,204
Net position	(3,442,082)	(359,072)	2,257,750	3,455,425	441,955	2,353,976
Accumulated gap	(3,442,082)	(3,801,154)	(1,543,404)	1,912,021	2,353,976	

As at 31 March 2024 and 31 December 2023 the Group complies with main liquidity ratios and regulatory liquidity requirements.

The analysis of liabilities by maturity does not reflect the historical stability of customer current account balances, which have traditionally been repaid over a longer period than indicated in the tables above. In this regard, Management believes that although a substantial portion of current accounts and customer deposits are on demand and mature in less than one month, diversification of these deposits by number and type of depositors, and the past experience of the Group, indicate that these deposits provide a long-term and stable source of funding for the Group. Therefore, an essential part of the Group's current accounts is considered to be stable resources for the purposes of liquidity analysis and management. Additionally, the accumulated gap can be sufficiently covered by refinancing with the repurchase agreements and sale of liquid government and other high-quality rated securities or attracting long-term debt funding on capital markets when necessary.

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Currency Risk

The Group's exposure to foreign currency exchange rate risk is as follows:

	31 March 2024 (unaudited)					
	USD	EURO	RUR	Other	Total foreign currencies	Total
FINANCIAL ASSETS:						
Cash and cash equivalents	645,115	77,578	12,992	152,754	888,439	1,626,229
Obligatory reserves	10,060	1,982	-	129,025	141,067	247,282
Financial assets at fair value through profit or loss	282,133	146	19	577	282,875	619,773
Amounts due from credit institutions	102,400	2,477	-	15,263	120,140	154,033
Financial assets at fair value through other comprehensive income	1,366,633	159,637	7,994	-	1,534,264	2,516,914
Debt securities at amortised cost, net of allowance for expected credit losses	187,850	-	-	1,980	189,830	722,797
Loans to customers	1,381,442	122,046	11,734	97,688	1,612,910	9,299,292
Other financial assets	26,018	803	1,842	2,228	30,891	90,589
	4,001,651	364,669	34,581	399,515	4,800,416	15,276,909
FINANCIAL LIABILITIES						
Amounts due to customers	3,217,443	220,104	64,119	135,080	3,636,746	11,211,283
Amounts due to credit institutions	193,623	14,478	78,599	7,516	294,216	669,815
Financial liabilities at fair value through profit or loss	146	146	592	451	1,335	3,894
Debt securities issued	323,880	-	-	-	323,880	655,735
Other financial liabilities	4,578	3,882	35	2,483	10,978	180,430
	3,739,670	238,610	143,345	145,530	4,267,155	12,721,157
Net position – on-balance	261,981	126,059	(108,764)	253,985	533,261	2,555,752
Net position – off-balance	(68,331)	(115,072)	112,141	(141,039)	(212,301)	234,038
Net position	193,650	10,987	3,377	112,946	320,960	2,256,529

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	31 December 2023						
	USD	EURO	RUR	Other	Total foreign currencies	KZT	Total
FINANCIAL ASSETS:							
Cash and cash equivalents	561,336	61,510	22,111	138,220	783,177	594,138	1,377,315
Obligatory reserves	8,906	6,150	-	105,596	120,652	124,214	244,866
Financial assets at fair value through profit or loss	246,103	3,370	20	613	250,106	339,256	589,362
Amounts due from credit institutions	101,126	4,109	16,073	13,119	134,427	37,327	171,754
Financial assets at fair value through other comprehensive income	1,418,689	133,479	8,255		1,560,423	865,479	2,425,902
Debt securities at amortised cost, net of allowance for expected credit losses	193,298		--	10,380	203,678	521,665	725,343
Loans to customers	1,365,955	122,814	13,637	109,008	1,611,414	7,673,458	9,284,872
Other financial assets	21,196	740	1,976	265	24,177	57,589	81,766
	3,916,609	332,172	62,072	377,201	4,688,054	10,213,126	14,901,180
FINANCIAL LIABILITIES							
Amounts due to customers	3,138,884	210,030	37,853	127,231	3,513,998	7,415,506	10,929,504
Amounts due to credit institutions	193,078	8,646	39,207	4,143	245,074	533,237	778,311
Financial liabilities at fair value through profit or loss	-	-	530	-	530	3,672	4,202
Debt securities issued	324,803	-	-	-	324,803	328,590	653,393
Other financial liabilities	4,594	1,454	91	2,517	8,656	173,138	181,794
	3,661,359	220,130	77,681	133,891	4,093,061	8,454,143	12,547,204
Net position – on-balance	255,250	112,042	(15,609)	243,310	594,993	1,758,983	2,353,976
Net position – off-balance	29,460	(109,932)	21,147	(183,970)	(243,295)	256,524	
Net position	284,710	2,110	5,538	59,340	351,698	2,015,507	

**Selected Explanatory Notes to the Interim Condensed
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30. Capital risk management

The Group's capital management objectives, which are a broader concept than the "equity" on the face of the consolidated statement of financial position, are as follows:

- To comply with the capital requirements set by NBRK;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

The required level of capital is determined during the annual budgeting process, taking into account the above objectives, and is approved by the Management Board and the Board of Directors. As of the current date the capital adequacy of the Group is calculated according to prudential norms set for banks by the Kazakhstan regulatory authority, applying Basel Committee principles and methods.

Currently, regulatory capital is represented by:

- Tier 1 capital, which is required to maintain the normal operating activity of the Group and absorb losses as they arise. It consists of Common Equity Tier 1 capital ("CET 1 capital") and Additional Tier 1 capital, which includes common shares issued by the Group, share premium, retained earnings, other accrued comprehensive income and disclosed reserves and regulatory adjustments (deductions);
- Tier 2 capital, which is required to absorb losses in case of the Group's liquidation. This part of capital consists of instruments issued by the Group and deductions.

Risk-weighted assets are split into five different groups, based on the risk level of the investment and its possible impairment, and weighted according to the nature of and reflecting an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposure, with some adjustments made to reflect the more contingent nature of the potential losses.

From 1 January 2017, the regulatory requirements of the NBRK, taking into account the recommendations of Basel III, set the minimum values for the adequacy ratios of core capital, Tier 1 capital and equity capital in the amount of 9.5%, 10.5% and 12.0%.

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
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The below table summarises the regulatory capital composition and capital adequacy ratios of the Group for the periods ended 31 March 2024 and 31 December 2023. Individual entities within the Group and the Group complied with all of the externally imposed capital requirements to which they are subject.

	31 March 2024 (unaudited)	31 December 2023
Composition of regulatory capital		
CET 1 Capital		
Common shares, net of treasury shares	(49,380)	(49,487)
Share premium	8,688	8,667
Retained earnings of prior years	2,445,047	1,750,723
Net income for the current year	177,964	693,436
Accumulated disclosed reserves	53,707	54,320
Non-controlling interest	10	10
Property and financial assets at fair value through other comprehensive income revaluation reserves	28,359	13,620
Less: goodwill and intangible assets	(16,133)	(16,401)
Less: cumulative translation reserve	(75)	(3,459)
Common Equity Tier 1 (CET 1) Capital	2,648,187	2,451,429
Additional tier 1		
Tier 2		
Subordinated debt	19,530	37,698
Total qualifying for Tier 2 capital	19,530	37,698
Total regulatory capital	2,667,717	2,489,127
Risk weighted assets	13,574,050	12,676,762
CET 1 capital adequacy ratio	19.51%	19.34%
Tier 1 capital adequacy ratio	19.51%	19.34%
Total capital adequacy ratio	19.65%	19.64%

31. Segment analysis

The Group is managed and reported on the basis of four main operating segments – corporate banking, SME banking, retail banking and investment banking. These segments are strategic business units that offer different products and services and are managed separately.

No significant changes in the Group segments occurred during the three months ended 31 March 2024 in comparison with the year ended 31 December 2023.

There were no transactions between business segments during the three months ended 31 March 2024 and 2023.

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)

Segment information for the main reportable business segments of the Group as at 31 March 2024 and 2023 and for the three months then ended is set out below:

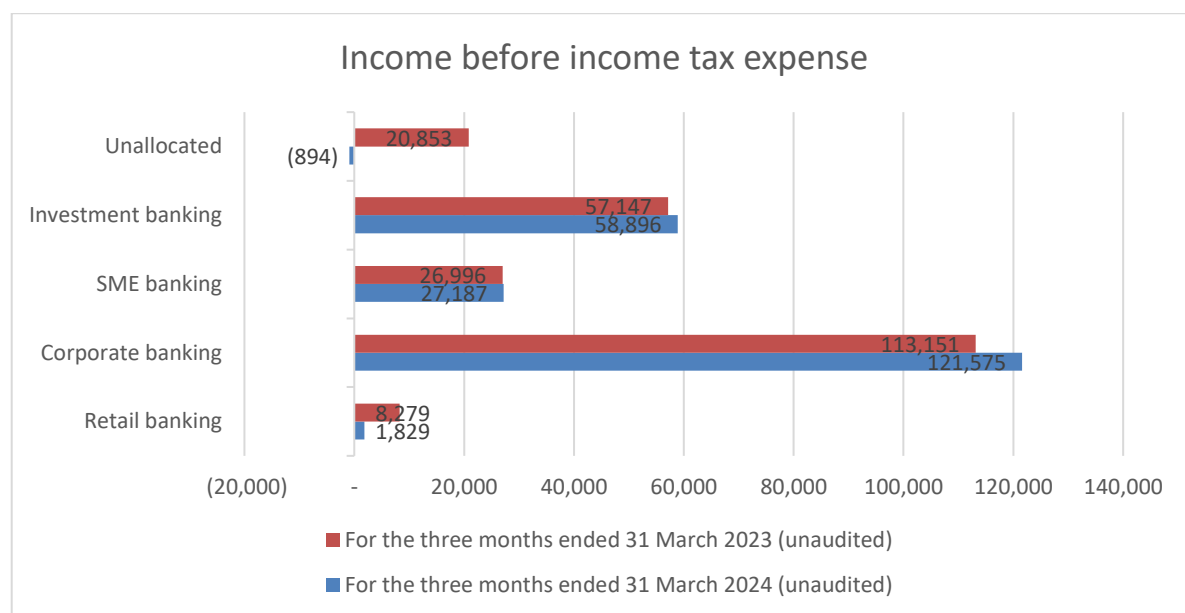
	Retail Banking	Corporate banking	SME banking	Investment banking	Unallocated	Total
As at 31 March 2024 and for the three months then ended (unaudited)						
External revenues	195,735	184,510	84,773	70,752	64,138	599,908
Total revenues	195,735	184,510	84,773	70,752	64,138	599,908
Total revenues comprise:						
- Interest income	158,574	198,741	69,446	67,214	2,279	496,254
- Fee and commission income, including:	33,235	7,983	7,942	-	914	50,074
Transaction income of individuals	34,911	-	-	-	-	34,911
Transaction income of legal entities	-	2,458	6,378	-	-	8,836
Letters of credit and guarantees issued	-	4,449	1,543	-	1	5,993
Other	413	1,181	21	-	913	2,528
Loyalty program	(2,089)	(105)	-	-	-	(2,194)
- Net gain from financial assets and liabilities at fair value through profit or loss	-	29,614	-	1,872	62	31,548
- Net realized gain from financial assets measured at fair value through other comprehensive income	-	-	-	1,666	-	1,666
- Net gain/(loss) on foreign exchange operations	3,926	14,286	7,385	-	(13,122)	12,475
- Share in profit of associate	-	-	-	-	4,604	4,604
- Insurance underwriting income, income on non-banking activities and other income	-	(66,114)	-	-	69,401	3,287
Total revenues	195,735	184,510	84,773	70,752	64,138	599,908
- Interest expense	(115,763)	(71,209)	(43,592)	(11,017)	(437)	(242,018)
- Credit loss expense	(24,840)	9,950	(6,631)	(257)	(224)	(22,002)
- Fee and commission expense	(22,451)	(1,082)	(863)	(184)	(2)	(24,582)
- Operating expenses	(30,852)	(3,458)	(6,637)	(398)	(15,342)	(56,687)
- Recovery of credit loss expense	-	2,864	137	-	7	3,008
- Gain from recovery of a previously recognized loss from impairment of property, plant and equipment	-	-	-	-	46	46
- Insurance claims incurred	-	-	-	-	(49,080)	(49,080)
Total expenses	(193,906)	(62,935)	(57,586)	(11,856)	(65,032)	(391,315)
Segment result	1,829	121,575	27,187	58,896	(894)	208,593
Income/(loss) before income tax expense	1,829	121,575	27,187	58,896	(894)	208,593
Income tax expense	-	-	-	-	(30,629)	(30,629)
Net profit						177,964
Total segment assets	3,142,290	6,541,801	1,467,104	3,807,551	952,198	15,910,944
Total segment liabilities	5,734,777	4,028,316	2,256,760	683,275	543,346	13,246,474
Other segment items:						
Capital expenditures	-	-	-	-	13,300	13,300
Depreciation and amortization	-	-	-	-	4,882	4,882
Investments in associate	-	-	-	-	56,784	56,784

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)

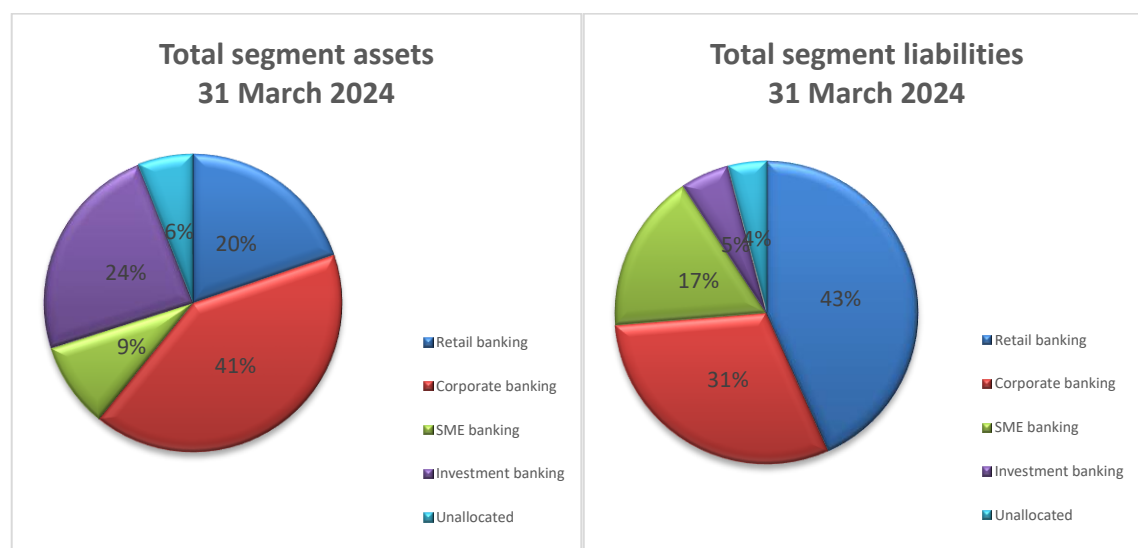
	Retail Banking	Corporate banking	SME banking	Investment banking	Unallocated	Total
As at 31 March 2023 and for the three months then ended (unaudited)						
External revenues	152,419	173,038	67,137	66,471	82,141	541,206
Total revenues	152,419	173,038	67,137	66,471	82,141	541,206
Total revenues comprise:						
- Interest income	115,854	145,131	50,361	68,232	691	380,269
- Fee and commission income, including:	32,196	6,008	8,350	-	851	47,405
<i>Transaction income of individuals</i>	-	2,281	7,298	-	-	9,579
<i>Transaction income of legal entities</i>	32,735	-	-	-	-	32,735
<i>Letters of credit and guarantees issued</i>	(1,122)	(48)	-	-	-	(1,170)
<i>Other</i>	-	2,983	994	-	-	3,977
<i>Loyalty program</i>	583	792	58	-	851	2,284
- Net gain/(loss) from financial assets and liabilities at fair value through profit or loss	-	11,746	-	(1,761)	(850)	9,135
- Net gain/(loss) on foreign exchange operations	4,367	10,155	8,426	-	(2,811)	20,137
- Share in profit of associate	-	-	-	-	3,738	3,738
- Insurance underwriting income, income on non-banking activities and other income	-	-	-	-	80,522	80,522
Total revenues	152,419	173,038	67,137	66,471	82,141	541,206
- Interest expense	(74,803)	(68,092)	(29,996)	(8,696)	(6,590)	(188,177)
- Credit loss expense	(23,097)	11,995	(4,672)	17	938	(14,819)
- Fee and commission expense	(20,472)	(1,341)	(370)	(302)	(1)	(22,486)
- Net gain/(loss) from financial assets and liabilities at fair value through other comprehensive income	-	-	-	-	(346)	(346)
- Operating expenses	(25,768)	(3,557)	(5,278)	(343)	(11,480)	(46,426)
- Other credit loss expense	-	1,108	175	-	(31)	1,252
- Gain/(loss) from recovery of a previously recognized loss from impairment of property, plant and equipment	-	-	-	-	(60)	(60)
- Insurance claims incurred	-	-	-	-	(43,718)	(43,718)
Total expenses	(144,140)	(59,887)	(40,141)	(9,324)	(61,288)	(314,780)
Segment result	8,279	113,151	26,996	57,147	20,853	226,426
Income before income tax expense	8,279	113,151	26,996	57,147	20,853	226,426
Income tax expense	-	-	-	-	(33,972)	(33,972)
Net profit						192,454
Total segment assets	2,390,968	6,000,726	1,212,798	3,691,552	950,343	14,246,387
Total segment liabilities	4,962,689	4,121,678	2,037,712	447,676	477,074	12,046,829
Other segment items:						
Capital expenditures	-	-	-	-	10,874	10,874
Depreciation and amortization	-	-	-	-	4,349	4,349
Investments in associate	-	-	-	-	40,940	40,940

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)

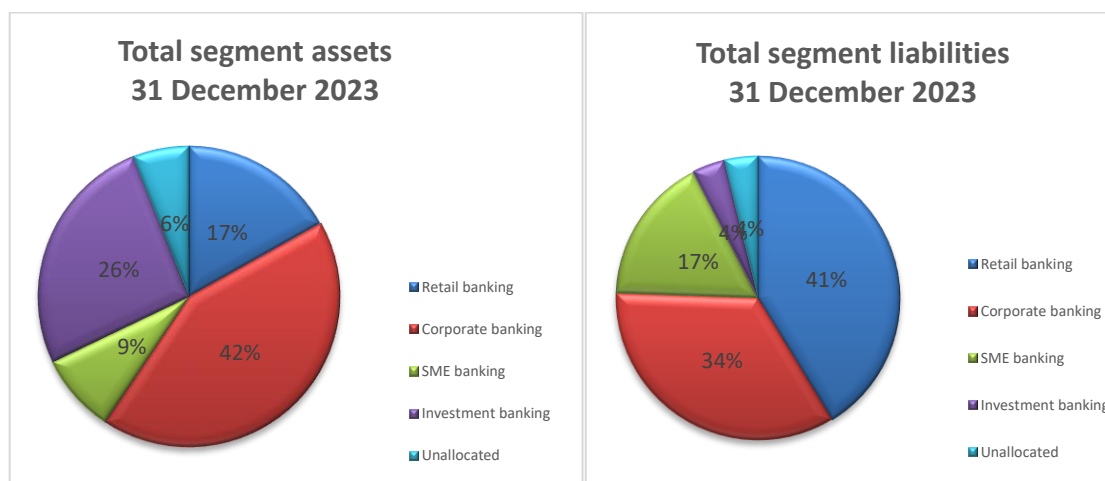
Income before income tax expense by segments were as follows:



Share of segment assets and liabilities as at 31 March 2024 (unaudited) and 31 December 2023 presented as follows:



Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)



Geographical information

Information for the main geographical areas of the Group is set out below as at 31 March 2024 and 31 December 2023 and for the three months ended 31 March 2024 and 2023.

	Kazakhstan	OECD	Non-OECD	Total
31 March 2024 (unaudited)				
Total assets	13,865,500	1,314,491	730,953	15,910,944
31 December 2023				
Total assets	13,495,756	1,393,663	604,949	15,494,368
Three months ended 31 March 2024 (unaudited)				
External revenues	556,232	24,799	18,877	599,908
Capital expenditures	(13,300)	-	-	(13,300)
Three months ended 31 March 2023 (unaudited)				
External revenues	506,468	19,110	15,628	541,206
Capital expenditures	(10,874)	-	-	(10,874)

External revenues, assets and credit related commitments have generally been allocated based on domicile of the counterparty. Cash on hand, property and equipment and capital expenditure have been allocated based on the country in which they are physically held.

32. Fair values of financial instruments

IFRS defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value of the Group's financial assets and financial liabilities measured at fair value on a recurring basis.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The table below provides information on how the fair value of these financial assets and financial liabilities is determined by levels of the hierarchy (in particular, the valuation technique and inputs used).

Financial assets and financial liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. Management assessment of the significance of a particular input to the fair value measurements requires judgment, and may affect the valuation of the assets and liabilities being measured and their placement within the fair value hierarchy.

The Group considers that the accounting estimate related to valuation of financial instruments where quoted markets prices are not available is a key source of estimation uncertainty because:

(i) it is highly susceptible to change from period to period because it requires management to make assumptions about interest rates, volatility, exchange rates, the credit rating of the counterparty, valuation adjustments and specific feature of the transactions and (ii) the impact that recognizing a change in the valuations would have on the assets reported on its interim condensed consolidated statement of financial position as well as its statement of profit or loss could be material.

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)

Financial Assets/Liabilities	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31 March 2024 (unaudited)	31 December 2023				
Non-derivative financial assets at fair value through profit or loss (Note 6)	86,260	95,431	Level 1	Quoted prices in an active market.	Not applicable	Not applicable
Non-derivative financial assets at fair value through profit or loss, excluding options (Note 6)	365,232	337,413	Level 2	Quoted prices in a market that is not sufficiently active.	Not applicable	Not applicable
Non-derivative financial assets at fair value through profit or loss, excluding options (Note 6)	142,359	132,682	Level 3	Valuation model based on internal rating model. Discounted cash flows. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period).	Percentage discount	The greater discount - the smaller fair value
Derivative financial assets at fair value through profit or loss, excluding options (Note 6)	25,922	23,836	Level 2		Not applicable	Not applicable
Total financial assets at fair value through profit or loss	619,773	589,362				
Derivative financial liabilities at fair value through profit or loss, excluding options (Note 6)	3,894	4,202	Level 2	Discounted cash flows. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting year).	Not applicable	Not applicable
Total financial liabilities at fair value through profit or loss	3,894	4,202				
Non-derivative financial assets at fair value through other comprehensive income (Note 8)	512,414	428,476	Level 1	Quoted prices in an active market.	Not applicable	Not applicable
Non-derivative financial assets at fair value through other comprehensive income in bonds of foreign organisations (Note 8)	2,001,957	1,997,373	Level 2	Quoted prices in a market that is not active.	Not applicable	Not applicable
Non-derivative financial assets at fair value through other comprehensive income – unquoted equity securities (Note 8)	2,543	53	Level 3	Unquoted equity securities	Percentage discount	The greater discount - the smaller fair value
Financial assets at fair value through other comprehensive income	2,516,914	2,425,902				

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)

The tables below summarize the Group's financial assets and liabilities held at fair value by valuation methodology at 31 March 2024 and 31 December 2023, before any allowances for expected credit losses.

During the three months ended 31 March 2024 and 2023, there were no transfers between levels.

	Derivative financial assets at fair value through profit or loss (Level 3)	Financial assets at fair value through other comprehensive income (Level 3)
31 December 2022	53	107,773
Income recognized in profit or loss	-	24,909
31 December 2023	53	132,682
Income recognized in profit or loss	2,490	9,677
31 March 2024 (unaudited)	2,543	142,359

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required).

The following methods and assumptions are used by the Group to estimate the fair value of financial instruments not carried at fair value.

Amounts due from and to credit institutions

For assets and liabilities maturing within one month, the carrying amount approximates fair value due to the relatively short-term maturity of these financial instruments. For the assets and liabilities maturing in over one month, the fair value was estimated as the present value of estimated future cash flows discounted at the appropriate period-end market rates.

Loans to customers

The estimate was made by discounting the scheduled future cash flows of the individual loans through the estimated maturity using prevailing market rates at the respective period-end.

Amounts due to customers

Interest rates charged to customers closely approximate market interest rates and accordingly, the carrying amounts approximate fair values.

Debt securities issued

Market values have been used to determine the fair value of debt securities traded on an active market. For other debt securities, the fair value was estimated as the present value of estimated future cash flows discounted at the period-end market rates.

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)

The following table sets out the carrying amount and fair values of financial assets and liabilities not carried at their fair values:

	31 March 2024 (unaudited)		31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair Value
Financial assets				
Amounts due from credit institutions	154,033	155,345	171,754	177,504
Loans to customers	9,299,292	9,140,648	9,284,872	9,360,564
Debt securities at amortised cost, net of allowance for expected credit losses	722,797	695,662	725,343	665,491
Financial liabilities				
Amounts due to customers	11,211,283	10,934,264	10,929,504	10,885,820
Amounts due to credit institutions	669,815	711,531	778,311	816,092
Debt securities issued	655,735	640,190	653,393	642,695
	31 March 2024 (unaudited)			
	Level 2		Level 3	Total
Financial assets				
Amounts due from credit institutions	155,345		-	155,345
Loans to customers	-		9,140,648	9,140,648
Debt securities at amortised cost, net of allowance for expected credit losses	507,700		187,962	695,662
Financial liabilities				
Amounts due to customers	10,934,264		-	10,934,264
Amounts due to credit institutions	711,531		-	711,531
Debt securities issued	640,190		-	640,190
	31 December 2023			
	Level 2		Level 3	Total
Financial assets				
Amounts due from credit institutions	177,504		-	177,504
Loans to customers	-		9,360,564	9,360,564
Debt securities at amortised cost, net of allowance for expected credit losses	472,070		193,421	665,491
Financial liabilities				
Amounts due to customers	10,885,820		-	10,885,820
Amounts due to credit institutions	816,092		-	816,092
Debt securities issued	642,695		-	642,695

The carrying amounts of cash equivalents, obligatory reserves, other financial assets and other financial liabilities approximates fair value due to the short-term nature of such financial instruments.

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)

33. Related party transactions

Related parties or transactions with related parties are assessed in accordance with IAS 24 “Related Party Disclosures”. Related parties August enter into transactions which unrelated parties might not. Terms, conditions and amounts of related party transactions are usually same as those between unrelated parties.

When considering each possible related party, the substance of the relationship between the parties is taken into account, and not just their legal form.

During 2024 and 2023, the Group entered into arm-length transactions with entities where the Group’s shareholders were one of the participants. Management believes that any control of these entities is with unrelated parties as per IFRS through the level of holding control or trust management arrangements, which are in compliance with Kazakhstan legislation. As such, these transactions are not disclosed as being with related parties.

The Group had the following balances outstanding as at 31 March 2024 and 31 December 2023 with related parties:

	31 March 2024 (unaudited)		31 December 2023	
	Related party balances	Total category as per financial statements caption	Related party balances	Total category as per financial statements caption
Loans to customers before allowance for expected credit losses	11,917	9,811,644	12,025	9,774,798
- <i>entities with joint control or significant influence over the entity</i>	11,603		11,706	
- <i>key management personnel of the entity or its parent</i>	295		311	
- <i>other related parties</i>	19		8	
Allowance for expected credit losses	(28)	(512,352)	(48)	(489,926)
- <i>entities with joint control or significant influence over the entity</i>	(24)		(44)	
- <i>key management personnel of the entity and its parent</i>	(3)		(3)	
- <i>other related parties</i>	(1)		(1)	
Other assets	56,784	191,186	51,464	173,662
- <i>Investments in associates</i>	56,784		51,464	
Amounts due to customers	120,634	11,211,283	178,669	10,929,504
- <i>the parent</i>	75,454		110,838	
- <i>entities with joint control or significant influence over the entity</i>	39,245		46,305	
- <i>key management personnel of the entity or its parent</i>	1,872		11,397	
- <i>other related parties</i>	4,063		10,129	
Debt securities issued	220,745	655,735	227,351	653,393
- <i>the parent</i>	219,840		223,473	
- <i>key management personnel of the entity or its parent</i>	905		3,878	

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Three Months ended 31 March 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)

The following amounts resulted from transactions with related parties and have been reflected in the interim condensed consolidated statement of profit or loss for the three months ended 31 March 2024 and 2023:

	Three months ended 31 March 2024 (unaudited)		Three months ended 31 March 2023 (unaudited)	
	Related party transactions	Total category as per financial statements caption	Related party transactions	Total category as per financial statements caption
Interest income calculated using effective interest method	323	484,441	763	372,267
- entities with joint control or significant influence over the entity	317		755	
- key management personnel of the entity or its parent	6		8	
Interest expense	(2,949)	(242,018)	(1,633)	(188,177)
- the parent	(2,151)		(866)	
- entities with joint control or significant influence over the entity	(651)		(520)	
- key management personnel of the entity or its parent	(52)		(29)	
- other related parties	(95)		(218)	
Share in profit of associate	4,604	4,604	3,738	3,738
Operating expenses	-	(56,687)	-	(45,524)
- entities with joint control or significant influence over the entity	-		-	

	Three months ended 31 March 2024 (unaudited)		Three months ended 31 March 2023 (unaudited)	
	Related party transactions	Total category as per financial statements caption	Related party transactions	Total category as per financial statements caption
Key management personnel compensation:	430	34,688	333	28,534
- short-term employee benefits	430		333	

34. Subsequent events

On 8 April 2024, the Bank repaid the balance of the deposit of JSC Kazakhstan Sustainability Fund in amount of KZT 181.6 billion. In June and December 2023, the Bank repaid part of the deposit of JSC Kazakhstan Sustainability Fund in the amount of KZT 68.4 billion. Thus, the total amount of historical state support received by JSC Kazkommertsbank in 2015 in the form of a deposit of JSC Kazakhstan Sustainability Fund, returned ahead of schedule in 2023 and 2024, amounted to KZT 250 billion.

On 18 April 2024, the Bank completed the sale of 100% shares of OJSC Halyk Bank Kyrgyzstan.

On 25 April 2024, at the annual general meeting of shareholders of the Bank, a decision was made to pay dividends on the Bank's common shares for 2023 at the rate of KZT 25.43 per common share. The approved start date for dividend payments on common shares is 3 June 2024.