JSC HALYK BANK

Interim condensed consolidated
financial information (unaudited)
for the six months ended 30 June 2024

JSC Halyk Bank

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JSC Halyk Bank

Statement of Management's Responsibilities for the Preparation and Approval of the Interim Condensed Consolidated Financial Information for the Six Months ended 30 June 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 30 June 2024, and the related interim condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the six 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 six months ended 30 June 2024 was authorized for issue by the Management Board on 15 August 2024.

On behalf of the Management Board:

Murat U. Koshenov
Deputy Chairperson of the Board

15 August 2024
Almaty, Kazakhstan

Dana S. Talzhanova
Chief Accountant

15 August 2024
Almaty, Kazakhstan

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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 30 June 2024 and the related interim condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the six 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 August 2024
Almaty, Republic of Kazakhstan

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Interim Condensed Consolidated Statement of Financial Position as at 30 June 2024 (unaudited)

(millions of Kazakhstani Tenge)

	Notes	30 June 2024 (unaudited)	31 December 2023
ASSETS			
Cash and cash equivalents	5	1,430,114	1,377,315
Obligatory reserves		259,611	244,868
Financial assets at fair value through profit or loss	6	688,366	589,362
Amounts due from credit institutions	7	146,054	171,754
Financial assets at fair value through other comprehensive income	8	2,990,262	2,425,902
Debt securities at amortized cost, net of allowance for expected credit losses	9	750,075	725,343
Loans to customers	10, 33	9,897,737	9,284,872
Investment property		46,271	47,326
Commercial property		63,185	74,882
Current income tax assets		3,569	7,956
Deferred income tax assets		425	351
Property and equipment and intangible assets		239,246	226,170
Insurance contract assets	12	12,938	10,289
Reinsurance contract assets		33,159	22,776
Other assets	13	173,467	173,662
Total assets before assets classified as held for sale		16,728,479	15,382,826
Assets classified as held for sale	11	21,396	111,542
TOTAL ASSETS		**16,749,875**	**15,494,368**
LIABILITIES AND EQUITY			
LIABILITIES			
Amounts due to customers	14, 33	11,615,902	10,929,504
Amounts due to credit institutions	15	1,012,134	778,311
Financial liabilities at fair value through profit or loss	6	5,611	4,202
Debt securities issued	16, 33	657,236	653,393
Current income tax liability		6,478	946
Deferred tax liability		45,871	59,799
Provisions	20	8,581	11,695
Insurance contract liabilities	12	346,458	273,065
Reinsurance contract liabilities		6,620	5,321
Other liabilities	18	468,434	242,756
Total liabilities before liabilities directly attributable to assets held for sale		14,173,325	12,958,992
Liabilities directly attributable to assets held for sale	11	-	58,422
Total liabilities		**14,173,325**	**13,017,414**
EQUITY			
Share capital	19	209,027	209,027
Share premium reserve		8,838	8,667
Treasury shares	19	(258,560)	(258,514)
Retained earnings and other reserves		2,617,235	2,517,764
Total equity attributable to owners of the Group		2,576,540	2,476,944
Non-controlling interest		10	10
Total equity		**2,576,550**	**2,476,954**
TOTAL LIABILITIES AND EQUITY		**16,749,875**	**15,494,368**

On behalf of the Management Board:

Murat U. Kosshigulov
Deputy Chairperson of the Board

15 August 2024
Almaty, Kazakhstan

Dana S. Talshanova
Chief Accountant

15 August 2024
Almaty, Kazakhstan

The accompanying notes are an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Profit or Loss
for the Six Months ended 30 June 2024 (unaudited)
(millions of Kazakhstani Tenge, except for earnings per share which is in Tenge)

	Notes	Three months ended 30 June 2024 (unaudited)	Three months ended 30 June 2023 (unaudited) (restated)*	Six months ended 30 June 2024 (unaudited)	Six months ended 30 June 2023 (unaudited) (restated)*
Interest income calculated using the effective interest method	21, 33	503,785	390,171	988,226	762,438
Other interest income	21	13,909	10,022	23,782	18,024
Interest expense	21, 33	(258,727)	(205,378)	(500,745)	(393,555)
NET INTEREST INCOME BEFORE CREDIT LOSS EXPENSE	21	257,027	194,815	511,263	386,907
Expected credit loss expense	5, 7, 9, 10	(47,048)	(17,840)	(69,050)	(32,659)
NET INTEREST INCOME		209,979	176,975	442,213	354,248
Fee and commission income	22	49,656	51,284	99,750	98,689
Fee and commission expense	22	(23,695)	(24,484)	(48,277)	(46,970)
Fees and commission, net		25,961	26,800	51,473	51,719
Net gain on financial assets and liabilities at fair value through profit or loss	23	18,538	20,535	50,086	29,670
Net realised gain/(loss) from financial assets at fair value through other comprehensive income		66	(1,081)	1,732	(1,427)
Net foreign exchange gain	24	25,756	11,273	38,231	31,410
Insurance revenue	25	70,183	76,328	128,939	139,394
Share in profit of associate		3,714	3,417	8,318	7,155
Income on non-banking activities	27	10,837	6,765	15,431	11,447
Other (expense)/income	14	(5,607)	5,486	(65,670)	18,260
OTHER NON-INTEREST INCOME		123,487	122,723	177,067	235,909
Operating expenses	26	(59,217)	(53,157)	(115,904)	(99,583)
Reversal of impairment of non-financial assets		-	65	46	5
Recovery of other credit loss expense	20	295	305	3,303	3,557
Insurance service expense	25	(55,617)	(48,872)	(94,927)	(84,943)
Net reinsurance expense	25	(9,440)	(18,207)	(19,210)	(25,854)
NON-INTEREST EXPENSES		(123,979)	(119,866)	(226,692)	(206,818)
PROFIT FOR THE YEAR BEFORE TAX		235,448	206,632	444,041	433,058
Income tax expense	17	(34,319)	(28,271)	(64,948)	(62,243)
NET INCOME		201,129	178,361	379,093	370,815
Attributable to:					
Non-controlling interest		-	1	-	1
Common shareholders		201,129	178,360	379,093	370,814
		201,129	178,361	379,093	370,815
EARNINGS PER SHARE					
(in Kazakhstani Tenge)					
Basic and diluted earnings per share	28	18.45	16.38	34.77	34.06

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

On behalf of the Management Board:

Murat U. Kasheyev
Deputy Chairperson of the Board

15 August 2024
Almaty, Kazakhstan

Dana S. Tazhibayeva
Chief Accountant

15 August 2024
Almaty, Kazakhstan

The accompanying notes are an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Other Comprehensive Income for the Six Months ended 30 June 2024 (unaudited)

(millions of Kazakhstani Tenge)

	Three months ended 30 June 2024 (unaudited)	Three months ended 30 June 2023 (unaudited) (restated)*	Six months ended 30 June 2024 (unaudited)	Six months ended 30 June 2023 (unaudited) (restated)*
Net income	**201,129**	**176,361**	**379,093**	**370,815**
Other comprehensive income:				
Items that will not be subsequently reclassified to profit or loss:				
(Loss)/gain resulting on revaluation of property and equipment (net of tax – KZT null million)	(2)	(20)	22	(3)
Loss on revaluation of equity financial assets measured at fair value through other comprehensive income (net of tax – KZT null million)	(3)	(101)	(59)	(152)
Items that may be subsequently reclassified to profit or loss:				
(Loss)/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)	(15,237)	(746)	(1,418)	6,128
Reclassification adjustment relating to financial assets at fair value through other comprehensive income disposed of in the period (net of tax – KZT null million)	(66)	1,081	(1,737)	1,427
Share of other comprehensive (expense)/income of associate	(877)	(178)	(185)	619
Share of other comprehensive income of associate from revaluation of property and equipment	-	14	-	14
Foreign exchange differences on translation of foreign operation	2,676	(1,492)	(706)	(3,589)
Other comprehensive (expense)/income for the period	(13,504)	(1,442)	(4,080)	4,444
Total comprehensive income for the period	**187,625**	**176,919**	**375,013**	**375,259**
Attributable to:				
Non-controlling interest	-	1	-	1
Common shareholders	187,625	176,918	375,013	375,258
	187,625	**176,919**	**375,013**	**375,259**

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

On behalf of the Management Board:

Murat U. Koshanov
Deputy Chairperson of the Board

15 August 2024
Almaty, Kazakhstan

Dana S. Tazhibayeva
Chief Accountant

15 August 2024
Almaty, Kazakhstan

The accompanying notes are an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Changes in Equity
for the Six Months ended 30 June 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 comprehensive income*	Property revaluation reserve*	Retained earnings*	Total equity	Non-controlling interest	Total equity
31 December 2023	**209,027**	**8,667**	**(258,534)**	**3,459**	**(25,299)**	**41,125**	**2,498,479**	**2,476,944**	**10**	**2,476,954**
Net income	-	-	-	-	-	-	379,093	379,093	-	379,093
Other comprehensive (loss)/income	-	-	-	(708)	(3,394)	22	-	(4,080)	-	(4,080)
Total comprehensive (loss)/income	-	-	-	**(708)**	**(3,394)**	**22**	**379,093**	**375,013**	-	**375,013**
Treasury shares purchased (Note 19)	-	-	(1,088)	-	-	-	-	(1,088)	-	(1,088)
Treasury shares sold (Note 19)	-	171	1,042	-	-	-	-	1,213	-	1,213
Dividends - common shares	-	-	-	-		-	(277,282)	(277,282)	-	(277,282)
Release of property and equipment revaluation reserve on depreciation and disposal of previously revalued assets	-	-	-	-	-	(481)	481	-	-	-
Disposal of subsidiaries	-	-	-		-	(796)	2,536	1,740	-	1,740
30 June 2024 (unaudited)	**209,027**	**8,838**	**(258,580)**	**2,751**	**(28,693)**	**39,870**	**2,603,307**	**2,576,540**	**10**	**2,576,550**

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

Interim Condensed Consolidated Statement of Changes in Equity for the Six Months ended 30 June 2024 (unaudited) (continued)

(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 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	1,979,373	2,012,233	9	2,012,242
Net income	-	-	-	-		-	370,814	370,814	1	370,815
Other comprehensive (loss)/income	-	-	-	(3,589)	8,023	11	-	4,445	(1)	4,444
Total comprehensive (loss)/income	-	-	-	(3,589)	8,023	11	370,814	375,259	-	375,259
Treasury shares purchased	-	-	(729)	-		-	-	(729)	-	(729)
Treasury shares sold	-	401	2,383	-	-	-	-	2,784	-	2,784
Dividends - common shares	-	-	-	-	-	-	(276,524)	(276,524)	-	(276,524)
Release of property and equipment revaluation reserve on depreciation and disposal of previously revalued assets	-	-	-	-	-	(1,066)	1,066	-	-	-
30 June 2023 (unaudited)	209,027	8,367	(258,881)	8,153	(70,626)	42,254	2,174,729	2,113,023	9	2,113,032

* 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 U. Koshenov
Deputy Chairperson of the Board

15 August 2024
Almaty, Kazakhstan

Dana S. Talzhanova
Chief Accountant

15 August 2024
Almaty, Kazakhstan

The accompanying notes are an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Cash Flows for the Six Months ended 30 June 2024 (unaudited)

(millions of Kazakhstani Tenge)

	Six months ended 30 June 2024 (unaudited)	Six months ended 30 June 2023 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Interest received from financial assets at fair value through profit or loss	18,949	12,225
Interest received from cash equivalents and amounts due from credit institutions	62,702	28,007
Interest received on financial assets at fair value through other comprehensive income	75,747	59,038
Interest received on debt securities at amortized cost, net of allowance for expected credit losses	3,563	3,947
Interest received from loans to customers	768,207	641,396
Interest paid on due to customers	(438,087)	(336,505)
Interest paid on due to credit institutions	(16,452)	(22,124)
Interest paid on debt securities issued	(14,399)	(10,183)
Fee and commission received	96,711	97,183
Fee and commission paid	(47,532)	(47,686)
Insurance revenue	114,614	139,393
Ceded reinsurance share paid	(19,210)	(19,224)
Receipts from financial derivatives	34,690	14,871
(Other expense paid)/other income received	(30,402)	29,707
Operating expenses paid	(101,682)	(85,987)
Insurance claims paid	(64,826)	(123,220)
Cash flows from operating activities before changes in net operating assets	442,593	381,438
Changes in operating assets and liabilities:		
(Increase)/decrease in operating assets:		
Obligatory reserves	(8,745)	17,666
Financial assets at fair value through profit or loss	(74,129)	(59,620)
Amounts due from credit institutions	33,065	14,483
Loans to customers	(573,029)	(419,606)
Assets classified as held for sale	424	426
Insurance contract assets	1,293	29,009
Other assets	58,252	23,074
Increase/(decrease) in operating liabilities:		
Amounts due to customers	606,923	(214,906)
Amounts due to credit institutions	207,719	87,610
Financial liabilities at fair value through profit or loss	1,409	(2,584)
Insurance contract liabilities	44,591	6,311
Other liabilities	26,823	15,088
Net cash inflow/(outflow) from operating activities before income tax	**787,199**	**(121,611)**
Income tax paid	(69,031)	(60,128)
Net cash inflow/(outflow) from operating activities	**698,168**	**(181,739)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Disposal of subsidiary	(33,559)	-
Purchase and prepayment for property and equipment and intangible assets	(26,221)	(12,120)
Proceeds on sale of property and equipment	21	24
Proceeds on sale of investment property	786	1,144
Proceeds on sale of commercial property	5,665	5,506
Proceeds on sale of financial assets at fair value through other comprehensive income	60,504	175,143
Purchase of financial assets at fair value through other comprehensive income	(550,389)	(519,893)
Purchase of debt securities at amortized cost, net of allowance for expected credit losses	(6,599)	(67,934)
Proceeds on sale and maturity of debt securities at amortized cost, net of allowance for expected credit losses	11,980	94,248
Capital expenditures on commercial property	(47)	(1,254)
Net cash outflow from investing activities	**(537,859)**	**(325,137)**

Interim Condensed Consolidated Statement of Cash Flows for the Six Months ended 30 June 2024 (unaudited) (continued)

(millions of Kazakhstani Tenge)

	Notes	Six months ended 30 June 2024 (unaudited)	Six months ended 30 June 2023 (unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds on sale of treasury shares		1,213	2,784
Purchase of treasury shares		(1,068)	(729)
Payment of dividends – common shares		(89,719)	(276,524)
Redemption and repayment of debt securities issued	16	18,722	261,400
Proceeds from issue of debt securities issued	16	(33,233)	(173,659)
Repayment of the lease liabilities		(1,266)	(1,551)
Net cash inflow/(outflow) from financing activities		(99,371)	(188,279)
Effect of changes in foreign exchange rates on cash and cash equivalents		(8,139)	(56,578)
Net change in cash and cash equivalents		52,799	(751,733)
CASH AND CASH EQUIVALENTS, beginning of the period	5	1,377,315	2,028,831
CASH AND CASH EQUIVALENTS, end of the period	5	1,430,114	1,277,098

On behalf of the Management Board:

Murat U. Koshenov
Deputy Chairperson of the Board

15 August 2024
Almaty, Kazakhstan

Dana S. Talzhanova
Chief Accountant

15 August 2024
Almaty, Kazakhstan

The notes on pages 10 to 79 form an integral part of this interim condensed consolidated financial information.

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 30 June 2024, the Bank operated through its head office in Almaty and its 25 regional branches, 119 sub-regional offices and 424 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 30 June 2024, the number of the Group's employees was 16,459 (31 December 2023 – 16,833).

The interim condensed consolidated financial information of the Group for the six months ended 30 June 2024 was authorized for issue by the Management Board on 15 August 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.

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 second quarter of 2024, the average price of Brent oil was around 85.03 USD per barrel (83 USD per barrel during 2023). For the period from January to May 2024, the economy of Kazakhstan increased by 3.7%. In June 2024, the annual inflation accelerated to 8.4%.

In May, the Monetary Policy Committee of the National Bank of the Republic of Kazakhstan decided to reduce the base rate to 14.5% per annum with a corridor of +/- 1 percentage point. In May and June 2024, the US inflation report turned out to be better than expected, in connection with which the market predicts a cut in the Fed rate to 4.75% by the end of the year. Oil prices, after rising in April 2024, are also being adjusted amid the expected easing of oil production restrictions by OPEC+ countries. Kazakhstan adheres to the inflation targeting regime and a freely floating exchange rate, and due to the significant degree of integration into the global economy, monetary policy cycles in developed countries and the dynamics of world prices affect the macroeconomic indicators of Kazakhstan. Against the backdrop of a global slowdown in price growth, inflation in Kazakhstan continues to decline for the 16th month in a row. At the same time, the pace of inflation slowdown is decreasing amid the continuing growth of tariffs for regulated services. Inflationary risks remain a concern due to rising food prices on world markets and the weakening of the national currency at the end of the quarter but are assessed as moderate.

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 may have a significant impact on the Group's operations.

Ownership

As at 30 June 2024 and 31 December 2023, the Group's shares were represented by common shares only.

As at 30 June 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:

	30 June 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 NG Almex	7,583,538,228	69.6%	7,583,538,228	69.5%
GDR holders	3,098,380,360	28.4%	3,109,586,880	28.5%
Other	221,292,093	2.0%	209,046,483	1.9%
Total shares in circulation (on consolidated basis)	10,903,210,681	100%	10,902,171,591	100%

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

On 18 April 2024, the Bank completed the transaction for the sale of 100% of shares of OJSC Halyk Bank Kyrgyzstan after the Buyer received the consent of the National Bank of the Kyrgyz Republic. During the six months ended 30 June 2024, there were no other significant changes in the structure of the Group compared to the structure as of 31 December 2023.

3. Significant accounting policies

The same accounting polices, 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:

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

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

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 consolidated financial information for the year ended 31 December 2023, 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.

Consolidated statement of profit and loss	As previously reported Six months ended 30 June 2023	Adjustment Six months ended 30 June 2023	As restated Six months ended 30 June 2023
Net gain on financial assets and liabilities at fair value through profit or loss	22,601	7,069	29,670
Income tax expense	(60,830)	(1,413)	(62,243)
Net profit	365,159	5,656	370,815

The consolidated statement of profit or loss for the six months ended 30 June 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.

5. Cash and cash equivalents

Cash and cash equivalents comprise:

	30 June 2024 (unaudited)	31 December 2023
Short-term deposits with NBRK	872,021	350,310
Cash on hand	215,245	314,065
Correspondent accounts with Organization for Economic Co-operation and Development countries (the "OECD") based banks	154,974	360,599
Short-term deposits with Kazakhstan banks (incl. loans under reverse repurchase agreements)	69,212	39,052
Correspondent accounts with Kazakhstan banks	51,343	33,595
Correspondent accounts with non-OECD based banks	46,763	40,418
Short-term deposits with non-OECD based banks	14,505	57,340
Overnight deposits with non-OECD based banks	6,151	5,171
Correspondent accounts with NBRK	-	176,766
	1,430,114	1,377,315

As at 30 June 2024 and 31 December 2023, allowance for expected credit losses on short-term deposits included in cash and cash equivalents comprised KZT 43 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 30 June 2024 (unaudited)	Three months ended 30 June 2023 (unaudited)	Six months ended 30 June 2024 (unaudited)	Six months ended 30 June 2023 (unaudited)
	Stage 1	Stage 1	Stage 1	Stage 1
At the beginning of the period	(16)	(15)	(36)	(21)
Changes in risk parameters	(11)	(7)	1	(4)
Foreign exchange differences and other movements	(16)	-	(8)	2
At the end of the period	(43)	(23)	(43)	(23)

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

	30 June 2024 (unaudited)		31 December 2023	
	KZT	Foreign currencies	KZT	Foreign currencies
Short-term deposits with NBRK	13.5%-14.5%	-	14.6%-15.8%	-
Short-term deposits with Kazakhstan banks (incl. loans under reverse repurchase agreements)	12.5%-16.5%	13.0%-16.0%	14.8%-17.8%	3.6%-7.1%
Short-term deposits with non-OECD based banks	-	8.3%-21.0%	-	5.7%-12.0%
Overnight deposits with non-OECD based banks	-	12.0%	-	12.0%

Fair value of assets pledged and carrying amounts of loans under reverse repurchase agreements included into short-term deposits with Kazakhstan banks as at 30 June 2024 and 31 December 2023 are as follows:

	30 June 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	40,553	40,692	17,585	17,583
Corporate bonds	10,911	10,903	10,766	10,789
Treasury bills of the Ministry of Finance of the Republic of Uzbekistan	9,690	9,692	6,094	6,096
Bonds of international financial institutions	5,865	5,867	356	352
Bonds of Kazakhstan banks	1,495	1,498	1,457	1,371
Bonds of JSC Development Bank of Kazakhstan	90	90	669	657
Eurobonds of the foreign countries	708	721	2,113	2,092
Notes of NBRK	-	-	12	12
	69,212	69,334	39,052	38,951

As at 30 June 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:

	30 June 2024 (unaudited)	31 December 2023
Financial assets held for trading:		
Corporate bonds	202,728	186,343
Equity securities of foreign organizations	170,090	149,224
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	83,859	51,137
Bonds of foreign organizations	61,616	34,668
Bonds of JSC Development Bank of Kazakhstan	35,035	35,546
Derivative financial instruments	33,353	23,836
Bonds of Kazakhstan banks	32,864	33,676
Equity securities of Kazakhstan corporations	31,376	12,723
Bonds of foreign financial organizations	17,738	23,716
Eurobonds of the foreign countries	14,759	32,650
NBRK notes	4,954	5,843
Total financial assets at fair value through profit or loss	**688,366**	**589,362**

Financial liabilities at fair value through profit or loss comprise:

	30 June 2024 (unaudited)	31 December 2023
Financial liabilities held for trading:		
Derivative financial instruments	5,611	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:

	30 June 2024 (unaudited)	31 December 2023
Corporate bonds	12.6%	12.7%
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	13.2%	12.8%
Bonds of foreign organizations	6.5%	5.2%
Bonds of JSC Development Bank of Kazakhstan	14.3%	14.7%
Bonds of Kazakhstan banks	15.8%	13.6%
Bonds of foreign financial organizations	12.5%	12.0%
Eurobonds of the foreign countries	5.2%	4.8%
NBRK notes	14.4%	15.4%

As at 30 June 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 17,594 million (31 December 2023 – KZT 12,210 million), transferred as collateral under repurchase agreements with other banks (Note 15). All repurchase agreements as at 30 June 2024 were settled before 10 July 2024 (31 December 2023 – 18 January 2024).

Derivative financial instruments comprise:

	30 June 2024 (unaudited)			31 December 2023		
		Fair value			Fair value	
	Notional amount	Asset	Liability	Notional amount	Asset	Liability
Foreign currency contracts						
Spots	1,353,469	3,941	2,970	78,676	326	173
Swaps	794,277	29,393	2,572	789,753	23,497	4,029
Forwards	13,230	19	69	1,736	23	-
		33,353	5,611		23,836	4,202

As at 30 June 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.

7. Amounts due from credit institutions

Amounts due from credit institutions comprise:

	30 June 2024 (unaudited)	31 December 2023
Deposit pledged as collateral	58,338	78,774
Term deposits and restricted accounts	56,236	51,367
Loans to credit institutions	31,772	42,013
	146,346	172,154
Less - Allowance for expected credit losses	(292)	(400)
Total amounts due from credit institutions	146,054	171,754

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

	30 June 2024 (unaudited)		31 December 2023	
	Interest rate, %	Maturity, year	Interest rate, %	Maturity, year
Deposit pledged as collateral	1.8%-5.4%	2024-2046	1.8%-5.4%	2024-2046
Term deposits and restricted accounts	7.0%-14.3%	2024-2026	1.0%-14.3%	2024
Loans to credit institutions	3.0%-9.1%	2024-2027	3.0%-9.1%	2024-2027

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

	Three months ended 30 June 2024 (unaudited)		Six months ended 30 June 2024 (unaudited)		
	Stage 1	Total	Stage 1	Stage 2	Total
At the beginning of the period	(232)	(232)	(330)	(70)	(400)
Charges in risk parameters	(53)	(53)	81	69	150
Foreign exchange differences and other movements	(7)	(7)	(42)	1	(42)
At the end of the period	(292)	(292)	(292)	-	(292)

	Three months ended 30 June 2023 (unaudited)			Six months ended 30 June 2023 (unaudited)		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
At the beginning of the period	(130)	(17)	(147)	(201)	(144)	(345)
Charges in risk parameters	(144)	3	(141)	(77)	130	53
Foreign exchange differences and other movements	(15)	-	(15)	(11)	-	(11)
At the end of the period	(289)	(14)	(303)	(289)	(14)	(303)

8. Financial assets at fair value through other comprehensive income

Debt securities comprise:

	30 June 2024 (unaudited)	31 December 2023
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	1,993,039	1,547,296
Corporate bonds	261,084	213,958
Bonds of foreign organisations	236,926	206,347
Eurobonds of the foreign countries	205,179	188,038
Bonds of JSC Development Bank of Kazakhstan	168,858	247,645
Bonds of foreign financial organisations	89,771	89,887
Local municipal bonds	10,966	10,756
Bonds of Kazakhstan banks	10,465	10,465
Treasury bills of the Ministry of Finance of the Republic of Uzbekistan	3,985	3,880
	2,980,273	2,416,272

Equity securities comprise:

	30 June 2024 (unaudited)	31 December 2023
Equity securities of Kazakhstan corporations	9,989	9,630
	9,989	9,630
Total financial assets at fair value through other comprehensive income	2,990,262	2,425,902

As at 30 June 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 385,421 million and KZT 188,100 million, respectively, which were pledged under repurchase agreements with other banks (Note 15). All repurchase agreements as at 30 June 2024 matured before 27 July 2024 (as at 31 December 2023 before 10 January 2024), and agreements with longer maturities will mature before 17 November 2025.

As at 30 June 2024 and 31 December 2023, the allowance for expected credit losses on financial assets at fair value through other comprehensive income comprised KZT 2,726 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.

	30 June 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	6.7%	2024-2045
Corporate bonds	9.4%	2024-2047	10.2%	2024-2047
Eurobonds of the foreign countries	4.8%	2024-2035	3.8%	2024-2035
Bonds of foreign organizations	4.4%	2024-2029	3.8%	2024-2027
Bonds of JSC Development Bank of Kazakhstan	6.7%	2024-2032	6.3%	2024-2032
Bonds of foreign financial organisations	9.5%	2024-2030	9.0%	2024-2030
Local municipal bonds	10.6%	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

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:

	30 June 2024 (unaudited)	31 December 2023
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	544,270	521 665
Corporate bonds	195,019	187,966
Bonds of foreign organizations	4,916	5 332
Treasury bonds of Uzbekistan	3,808	7,421
Notes of National Bank of Georgia	2,062	2 959
Total debt securities at amortized cost, net of allowances for expected credit losses	750,075	725,343

As at 30 June 2024 and 31 December 2023, for debt securities measured at amortized cost, the allowance for expected credit losses was KZT 617 million and KZT 656 million, respectively.

As at 30 June 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 50,524 million and KZT 269,231 million, respectively, pledged under repurchase agreements with the other banks (see Note 15). All repurchase agreements as at 30 June 2024 and 31 December 2023 matured before 1 July 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.

	30 June 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	9.1%	2026-2027	9.1%	2026-2027
Corporate bonds	3.3%	2024	3.3%	2024
Bonds of foreign organizations	4.3%	2025	3.4%	2025
Treasury bonds of Uzbekistan	16.0%	2024	16.4%	2024
Notes of National Bank of Georgia	9.7%	2024-2028	9.9%	2024-2028

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 30 June 2024 (unaudited)		Three months ended 30 June 2023 (unaudited)		Six months ended 30 June 2024 (unaudited)		Six months ended 30 June 2023 (unaudited)		
	Stage 1	Total	Stage 1	Total	Stage 1	Total	Stage 1	Stage 3	Total
At the beginning of the period	(3,030)	(3,030)	(1,607)	(1,607)	(2,862)	(2,862)	(1,398)	(170)	(1,568)
Changes in risk parameters*	180	180	(32)	(32)	158	158	(147)	-	(147)
New originations or purchases of financial assets*	(389)	(389)	(99)	(99)	(735)	(735)	(218)	-	(218)
Derecognition of financial assets*	10	10	6	6	98	98	9	-	9
Disposal			-	-			-	170	170
Foreign exchange differences and other movements	(114)	(114)	17	17	(2)	(2)	39	-	39
At the end of the period	(3,343)	(3,343)	(1,715)	(1,715)	(3,343)	(3,343)	(1,715)	-	(1,715)

* 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".

10. Loans to customers

Loans to customers comprise:

	30 June 2024 (unaudited)	31 December 2023
Originated loans to customers	10,410,393	9,752,998
Overdrafts	23,128	22,200
	10,433,521	**9,774,798**
Stage 1	9,623,732	8,992,052
Stage 2	62,639	51,850
Stage 3	725,897	700,538
Purchased or originated credit-impaired assets ("POCI")	21,253	30,358
Total	**10,433,521**	**9,774,798**
Less – Allowance for expected credit losses	(535,784)	(489,926)
Loans to customers	**9,897,737**	**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 six months ended 30 June 2024, average interest rate on loans was 17.1% (for the six months ended 30 June 2023 – 15.7%).

As at 30 June 2024, the Group's loan concentration to the ten largest borrowers was KZT 1,641,831 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 64% of the Group's total equity (as at 31 December 2023 – 73%).

As at 30 June 2024, the allowance for expected credit losses created against these loans was KZT 16,756 million (as at 31 December 2023 – KZT 17,489 million).

As at 30 June 2024 and 31 December 2023, loans were granted to the following sectors:

	30 June 2024 (unaudited)	%	31 December 2023	%
Retail loans:				
- consumer loans	3,150,364	30%	2,720,125	28%
- mortgage loans	439,162	4%	392,280	4%
	3,589,526		**3,112,405**	
Services	1,010,680	10%	940,224	10%
Wholesale trade	821,857	8%	828,977	8%
Retail trade	615,575	6%	634,795	6%
Energy	558,513	5%	509,210	5%
Metallurgy	547,725	5%	456,780	4%
Financial services	360,555	3%	367,715	4%
Real estate	321,067	3%	333,018	3%
Agriculture	316,033	3%	298,939	3%
Chemical industry	315,866	3%	326,310	3%
Oil and gas	315,173	3%	360,485	4%
Machinery	299,928	3%	271,538	3%
Food industry	293,837	3%	302,575	3%
Construction	292,648	3%	274,556	3%
Transportation	270,413	3%	330,840	3%
Communication	151,923	1%	155,574	2%
Mining	105,417	1%	125,184	1%
Hotel industry	73,550	1%	72,136	1%
Light industry	61,660	1%	64,007	1%
Other	113,571	1%	108,972	1%
	10,433,521	**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 POCI. 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 second quarter of 2024 and 2023.

As at 30 June 2024, accrued but not recorded interest on loans comprised KZT 245,949 million (31 December 2023 – KZT 213,240 million).

During the six months ended 30 June 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 six months ended 30 June 2024 and the year ended 31 December 2023, such assets of KZT 1,595 million and KZT 22,910 million, respectively, are included in assets classified as held for sale.

As at 30 June 2024 and 31 December 2023, loans to customers included loans of KZT 326,821 million and KZT 328,102 million, respectively, which terms were renegotiated. Otherwise, these loans would be past due.

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

	Six months ended 30 June 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	23,297	(9,039)	(14,258)	-	-
Transfer to Stage 2	(31,303)	33,249	(1,946)	-	-
Transfer to Stage 3	(58,840)	(21,893)	75,733	-	-
New originations or purchases of financial assets	2,459,586	-	-	-	2,459,586
Assets derecognised or repaid*/**	(1,236,635)	(2,654)	(65,543)	(2,483)	(1,307,415)
Write-offs	-	-	(27,389)	(5,211)	(32,930)
Changes in the gross value of financial assets*	(530,025)	11,116	59,182	(821)	(460,548)
At the end of the period	**9,623,132**	**62,639**	**725,897**	**21,853**	**10,433,521**

	Six months ended 30 June 2024 (unaudited)				
Corporate Business	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	**4,620,373**	**13,307**	**385,026**	**24,868**	**5,043,574**
Transfer to Stage 1	2,851	(155)	(2,696)	-	-
Transfer to Stage 2	(264)	522	(258)	-	-
Transfer to Stage 3	(18,168)	-	18,168	-	-
New originations or purchases of financial assets	1,252,981	-		-	1,252,981
Assets derecognised or repaid*/**	(772,403)	-	(20,444)	(2,345)	(795,242)
Write-offs	-	-	-	(5,147)	(5,147)
Changes in the gross value of financial assets*	(223,747)	5,490	(14,065)	(439)	(232,760)
At the end of the period	**4,862,123**	**19,164**	**365,681**	**16,838**	**5,263,806**

	Six months ended 30 June 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	16,717	(7,181)	(9,536)	-	-
Transfer to Stage 2	(23,161)	24,803	(1,642)	-	-
Transfer to Stage 3	(77,844)	(15,154)	42,899	-	-
New originations or purchases of financial assets	688,699	-	-	-	688,699
Assets derecognised or repaid*/**	(221,647)	(1,061)	(33,143)	(1)	(255,852)
Write-offs	-	-	(23,664)	-	(23,664)
Changes in the gross value of financial assets*	11,552	5,137	51,194	54	67,937
At the end of the period	**3,395,275**	**27,609**	**224,442**	**2,199**	**3,649,525**

	Six months ended 30 June 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	3,729	(1,703)	(2,026)	-	-
Transfer to Stage 2	(7,878)	7,924	(46)	-	-
Transfer to Stage 3	(7,828)	(6,838)	14,666	-	-
New originations or purchases of financial assets	517,906	-	-	-	517,906
Assets derecognised or repaid*/**	(242,585)	(1,593)	(12,006)	(137)	(256,321)
Write-offs	-	-	(4,025)	(64)	(4,089)
Changes in the gross value of financial assets*	(317,830)	489	22,053	(437)	(295,725)
At the end of the period	**1,425,734**	**15,866**	**135,774**	**3,216**	**1,580,590**

	Six months ended 30 June 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	42,564	(20,893)	(21,671)	-	-
Transfer to Stage 2	(54,101)	68,342	(14,241)	-	-
Transfer to Stage 3	(171,142)	(67,891)	239,033	-	-
New originations or purchases of financial assets	3,379,903	-	-	-	3,379,903
Assets derecognised or repaid*/**	(1,774,357)	(7,469)	(56,241)	(847)	(1,838,914)
Write-offs	-		(8,517)	(204)	(8,721)
Changes in the gross value of financial assets*	(1,102,384)	(11,636)	(67,250)	(1,385)	(1,182,656)
At the end of the period	**7,859,997**	**67,147**	**667,900**	**34,859**	**8,629,902**

	Six months ended 30 June 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	12,707	(1,039)	(11,668)	-	-
Transfer to Stage 2	(13,080)	13,897	(817)	-	-
Transfer to Stage 3	(113,734)	(42,421)	154,155	-	-
New originations or purchases of financial assets	1,824,778	-	-	-	1,824,778
Assets derecognised or repaid*/**	(1,140,926)	(2,693)	(28,949)	(723)	(1,173,291)
Write-offs	-	-	-	(204)	(204)
Changes in the gross value of financial assets*	(477,948)	(6,095)	(62,677)	667	(546,053)
At the end of the period	**4,140,362**	**33,937**	**352,702**	**27,709**	**4,554,710**

	Six months ended 30 June 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	18,806	(10,366)	(7,840)		
Transfer to Stage 2	(28,562)	31,128	(2,566)	-	-
Transfer to Stage 3	(39,106)	(16,164)	57,270	-	-
New originations or purchases of financial assets	833,233	-	-	-	833,233
Assets derecognised or repaid*/**	(296,479)	(818)	(11,934)	(53)	(309,284)
Write-offs	-	-	(4,731)		(4,731)
Changes in the gross value of financial assets*	(315,808)	294	(1,264)	(783)	(317,561)
At the end of the period	**2,526,776**	**16,727**	**192,594**	**2,416**	**2,738,513**

	Six months ended 30 June 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	11,051	(8,888)	(2,163)	-	-
Transfer to Stage 2	(22,459)	23,317	(858)	-	-
Transfer to Stage 3	(20,202)	(7,306)	27,508	-	-
New originations or purchases of financial assets*	721,892	-	-	-	721,892
Assets derecognised or repaid*/**	(336,952)	(3,958)	(15,358)	(71)	(356,339)
Write-offs	-	-	(3,786)	-	(3,786)
Changes in the gross value of financial assets*	(308,628)	(5,835)	(3,309)	(1,270)	(319,042)
At the end of the period	**1,192,859**	**16,483**	**122,604**	**4,733**	**1,336,679**

* 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.

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

	Three months ended 30 June 2024 (unaudited)					Six months ended 30 June 2024 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	**(125,692)**	**(9,343)**	**(371,065)**	**(6,252)**	**(512,352)**	**(122,149)**	**(7,362)**	**(347,655)**	**(12,760)**	**(489,926)**
Transfer to Stage 1	(8,402)	1,310	7,092	-	-	(11,565)	2,068	9,497	-	-
Transfer to Stage 2	1,327	(1,888)	561	-	-	2,562	(3,994)	1,431	-	-
Transfer to Stage 3	2,793	3,626	(6,357)	-	-	5,434	6,453	(11,887)	-	-
Changes in risk parameters*	11,195	(2,363)	(40,405)	1,012	(30,561)	20,120	(6,220)	(70,220)	585	(55,735)
New originations or purchases of financial assets*	(30,345)	-	-	-	(30,345)	(55,663)	-	-	-	(55,663)
Derecognition of financial assets**	12,304	184	6,633	89	19,270	24,470	310	16,765	6,606	48,151
Other (expense)/income related to loans***	(66)	(5)	(3,450)	(738)	(4,259)	(321)	245	(8,440)	(5,679)	(14,195)
Write-offs	-	-	24,781	8	24,789	-	-	27,689	5,211	32,900
Foreign exchange differences and other movements	(404)	(16)	(1,724)	(182)	(2,326)	(180)	4	(1,114)	(26)	(1,316)
At the end of the period	**(137,292)**	**(8,495)**	**(383,934)**	**(6,063)**	**(535,784)**	**(137,292)**	**(8,495)**	**(383,934)**	**(6,063)**	**(535,784)**

	Three months ended 30 June 2024 (unaudited)					Six months ended 30 June 2024 (unaudited)				
Corporate Business	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	(20,209)	(3,250)	(194,745)	(5,325)	(223,529)	(21,561)	(3,010)	(194,810)	(11,770)	(231,151)
Transfer to Stage 1	(141)	3	138	-	-	(141)	9	138	-	-
Transfer to Stage 2	1	(1)	-	-	-	64	(265)	201	-	-
Transfer to Stage 3	101	-	(101)	-	-	101	-	(101)	-	-
Changes in risk parameters*	1,628	428	(12,443)	715	(9,672)	3,571	248	(16,422)	504	(12,096)
New originations or purchases of financial assets*	(5,819)	-	-	-	(5,819)	(10,513)	-	-	-	(10,513)
Derecognition of financial assets**/***	3,671	-	4,676	-	8,347	7,679	-	11,127	6,443	25,249
Other (expense)/income related to loans***	(9)	-	(1,308)	(571)	(1,888)	(108)	201	(4,457)	(5,660)	(10,024)
Write-offs	-	-	-	-	-	-	-	-	5,147	5,147
Foreign exchange differences and other movements	(401)	-	(1509)	(157)	(2,067)	(273)	9	(968)	(2)	(1,240)
At the end of the period	(21,178)	(2,820)	(205,292)	(5,338)	(234,628)	(21,178)	(2,820)	(205,292)	(5,338)	(234,628)

	Three months ended 30 June 2024 (unaudited)					Six months ended 30 June 2024 (unaudited)				
Retail Business	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	**(87,028)**	**(4,012)**	**(134,739)**	**(195)**	**(225,974)**	**(81,229)**	**(3,326)**	**(116,332)**	**(169)**	**(201,056)**
Transfer to Stage 1	(5,969)	930	6,039	-	-	(9,872)	1,599	8,273	-	-
Transfer to Stage 2	599	(1,544)	945	-	-	2,006	(3,193)	1,187	-	-
Transfer to Stage 3	2,398	2,955	(5,353)	-	-	4,627	4,538	(9,165)	-	-
Changes in risk parameters*	7,557	(1,792)	(19,689)	(8)	(13,932)	12,065	(3,753)	(38,326)	(34)	(30,048)
New originations or purchases of financial assets*	(17,954)	-	-	-	(17,954)	(33,712)	-	-	-	(33,712)
Derecognition of financial assets*/**	5,215	65	1,084	-	7,364	11,313	128	2,586	-	14,027
Other expense related to loans***	(11)	(2)	(1,502)	(41)	(1,556)	(29)	(9)	(2,958)	(41)	(3,037)
Write-offs	-	-	21,977	-	21,977	-	-	23,664	-	23,664
Foreign exchange differences and other movements	11	(16)	(128)	(24)	(157)	49	-	(55)	(24)	(70)
At the end of the period	**(94,782)**	**(4,016)**	**(131,166)**	**(268)**	**(230,232)**	**(94,782)**	**(4,016)**	**(131,166)**	**(268)**	**(230,232)**

	Three months ended 30 June 2024 (unaudited)					Six months ended 30 June 2024 (unaudited)				
SME Business	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	(18,455)	(2,081)	(41,561)	(732)	(62,849)	(19,359)	(1,026)	(36,513)	(821)	(57,719)
Transfer to Stage 1	(1,292)	377	915	-	-	(1,552)	466	1,086	-	-
Transfer to Stage 2	327	(344)	16		-	492	(535)	43	-	-
Transfer to Stage 3	232	1,271	(1,503)	-	-	706	1,915	(2,621)	-	-
Changes in risk parameters*	2,010	(999)	(8,273)	305	(6,957)	4,481	(2,715)	(15,472)	115	(13,591)
New originations or purchases of financial assets*	(6,572)	-	-	-	(6,572)	(11,438)	-	-	-	(11,438)
Derecognition of financial assets*/**	2,478	113	873	89	3,559	5,478	182	3,052	163	8,875
Other (expense)/income related to loans***	(46)	(3)	(640)	(126)	(815)	(184)	53	(1,025)	22	(1,134)
Write-offs	-	-	2,804	8	2,812	-	-	4,025	64	4,089
Foreign exchange differences and other movements	(14)	-	(87)	(1)	(102)	44	1	(51)	-	(6)
SME Business	(21,332)	(1,659)	(47,476)	(457)	(70,924)	(21,332)	(1,659)	(47,476)	(457)	(70,924)

	Three months ended 30 June 2023 (unaudited)					Six months ended 30 June 2023 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	(107,142)	(18,508)	(301,521)	(11,417)	(438,588)	(113,665)	(17,767)	(289,840)	(21,116)	(442,388)
Transfer to Stage 1	(5,029)	2,114	2,915	-	-	(13,503)	3,320	10,183	-	-
Transfer to Stage 2	917	(1,634)	717	-	-	3,006	(4,298)	1,292	-	-
Transfer to Stage 3	2,143	6,228	(8,371)	-	-	7,884	8,690	(16,574)	-	-
Changes in risk parameters*	10,439	(3,025)	(32,811)	1,082	(24,315)	17,518	(5,124)	(74,271)	14,579	(47,298)
New originations or purchases of financial assets*	(25,772)	-	-	-	(25,772)	(41,738)	-	-	-	(41,738)
Derecognition of financial assets****	9,871	192	18,409	72	28,544	25,415	561	24,686	197	50,859
Other income/(expense) related to loans*****	879	-	(1,192)	(1,052)	(4,365)	879	-	(3,305)	(5,596)	(8,112)
Write-offs	-	-	6,598	187	6,715	-	-	8,517	204	8,771
Foreign exchange differences and other movements	50	102	1,446	(33)	1,565	560	87	2,522	571	3,740
At the end of the period	(113,644)	(14,531)	(316,880)	(11,161)	(456,216)	(113,644)	(14,531)	(316,880)	(11,161)	(456,216)

	Three months ended 30 June 2023 (unaudited)					Six months ended 30 June 2023 (unaudited)				
Corporate Business	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	(20,296)	(13,915)	(153,354)	(9,700)	(197,265)	(26,828)	(13,277)	(138,666)	(19,280)	(198,051)
Transfer to Stage 1	(161)	1	160	-	-	(5,818)	1	5,817	-	-
Transfer to Stage 2	2	(5)	3	-	-	39	(66)	27	-	-
Transfer to Stage 3	297	3,603	(3,900)	-	-	2,131	3,658	(5,789)	-	-
Changes in risk parameters*	1,875	(1,683)	(9,657)	207	(9,258)	5,182	(561)	(31,489)	13,529	(13,339)
New originations or purchases of financial assets*	(4,940)	-	-	-	(4,940)	(8,654)	-	-	-	(8,654)
Derecognition of financial assets****	2,559	21	8,774	5	11,359	12,856	287	12,276	129	25,548
Other income/(expense) related to loans*****	935		(1,566)	(630)	(1,261)	935	-	(712)	(5,092)	(4,869)
Write-offs	-	-	-	187	187	-	-	-	414	414
Foreign exchange differences and other movements	(30)	16	1,541	(19)	1,508	450	(4)	2,535	560	3,541
At the end of the period	(19,757)	(9,962)	(156,001)	(9,950)	(195,670)	(19,757)	(9,962)	(156,001)	(9,950)	(195,670)

	Three months ended 30 June 2023 (unaudited)					Six months ended 30 June 2023 (unaudited)				
Retail Business	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	(74,750)	(9,175)	(105,730)	(103)	(189,758)	(74,364)	(9,108)	(93,919)	(125)	(177,516)
Transfer to Stage 1	(3,898)	1,433	2,465	-	-	(6,182)	2,141	4,041	-	-
Transfer to Stage 2	785	(1,377)	592	-	-	1,901	(3,019)	1,118	-	-
Transfer to Stage 3	1,577	2,082	(3,659)	-	-	4,402	4,025	(8,427)	-	-
Changes in risk parameters*	6,571	(1,357)	(17,316)	43	(12,059)	9,933	(3,478)	(28,849)	67	(22,327)
New originations or purchases of financial assets*	(16,918)	-	-	-	(16,918)	(25,921)	-	-	-	(25,921)
Derecognition of financial assets**/***	6,026	75	4,148	-	10,249	9,584	121	5,960	1	15,666
Other expense related to loans****	-	-	(1,950)	(45)	(1,995)	-	-	(2,092)	(62)	(2,154)
Write-offs	-	-	4,031	-	4,031	-	-	4,731	-	4,731
Foreign exchange differences and other movements	1	1	37	(14)	25	41	-	55	-	96
At the end of the period	(80,606)	(9,318)	(117,382)	(119)	(207,425)	(80,606)	(9,318)	(117,382)	(119)	(207,425)

	Three months ended 30 June 2023 (unaudited)					Six months ended 30 June 2023 (unaudited)				
SME Business	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	(12,098)	(2,418)	(44,437)	(1,614)	(60,565)	(12,473)	(1,382)	(37,255)	(1,711)	(52,821)
Transfer to Stage 1	(970)	680	290	-	-	(1,504)	1,178	326	-	-
Transfer to Stage 2	128	(252)	124	-	-	1,066	(1,213)	147	-	-
Transfer to Stage 3	269	543	(812)	-		1,351	1,007	(2,358)	-	-
Changes in risk parameters*	1,995	15	(5,838)	832	(2,998)	2,453	(1,085)	(13,953)	989	(11,587)
New originations or purchases of financial assets*	(3,914)	-	-	-	(3,914)	(7,163)	-	-	-	(7,163)
Derecognition of financial assets*/**	1,286	96	5,487	67	6,936	2,975	153	6,450	67	9,645
Other expense related to loans***	(56)	-	(676)	(377)	(1,109)	(56)		(591)	(442)	(1,089)
Write-offs	-	-	2,497	-	2,497	-	-	3,786	-	3,786
Foreign exchange differences and other movements	79	85	(132)	-	32	69	91	(68)	11	103
SME Business	(13,281)	(3,251)	(43,497)	(1,092)	(59,121)	(13,281)	(1,251)	(43,497)	(1,092)	(59,121)

* 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 "Other (expense)/income related to loans" 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.

During the six months ended 30 June 2024 and 2023, the Group wrote off loans in the amount of KZT 32,900 million and KZT 8,721 million, respectively, without cessation of the right to claim on the loan for tax purposes, which is not subject to taxation, except when the write-off occurred due to sale of loans.

Allowance for expected credit losses and provisions

For the six months ended 30 June 2024, credit loss expense on loans to customers comprised KZT 63,247 million (30 June 2023 – KZT 38,177 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:

	30 June 2024 (unaudited)	31 December 2023
Land plots	11,672	12,578
Real estate	9,687	8,671
Movable property	37	51
Assets held for sale related to OJSC Halyk Bank Kyrgyzstan	-	90,242
Total assets classified as held for sale	**21,396**	**111,542**
Liabilities directly attributable to assets held for sale	-	58,422

On 24 October 2023, an agreement was signed on the sale of 100% of the shares of OJSC Halyk Bank Kyrgyzstan. On 18 April 2024, the Bank completed the transaction for the sale of 100% of shares of OJSC Halyk Bank Kyrgyzstan after the consent of the National Bank of the Kyrgyz Republic was received by the Buyer.

The consolidated results of OJSC Halyk Bank Kyrgyzstan up to the disposal date (18 April 2024), included in the interim consolidated statement of profit or loss, were equal to KZT 447 million (for the six months ended 30 June 2023 – KZT 1,051 million).

The major classes of assets, net of impairment, and liabilities of OJSC Halyk Bank Kyrgyzstan as at 18 April 2024 are as follows:

	18 April 2024 (unaudited)	31 December 2023
Cash and cash equivalents	49,222	27,446
Obligatory reserves	4,785	2,897
Amounts due from credit institutions	113	71
Debt securities at amortized cost, net of allowance for expected credit losses	9,894	5,756
Loans to customers	37,238	41,585
Property and equipment and intangible assets	5,461	5,263
Long term assets classified as held for sale	303	418
Other assets	2,410	3,055
Assets of OJSC Halyk Bank Kyrgyzstan held for sale	**109,416**	**86,491**
Amounts due to customers	74,491	57,866
Amounts due to credit institutions	16,278	3,086
Provisions	126	136
Deferred tax liability	426	447
Other liabilities	2,067	1,887
Liabilities of OJSC Halyk Bank Kyrgyzstan directly related to assets held for sale	**93,328**	**58,422**
Net assets of OJSC Halyk Bank Kyrgyzstan held for sale	**16,088**	**28,069**

As a result of the reclassification of OJSC Halyk Bank Kyrgyzstan, the Group recognized an impairment loss in the amount of KZT 3,751 million for the year ended 31 December 2023 in the consolidated statement of profit or loss. The amount of consideration received from the sale of the subsidiary is KZT 15,663 million.

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.

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.

Details of the Group's assets held for sale and information about the fair value hierarchy as at 30 June 2024 and 31 December 2023 are as follows:

	Level 2	Level 3	Total
30 June 2024 (unaudited)			
Land plots	-	11,672	11,672
Real estate	3,951	5,736	9,687
Movable property	-	37	37
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:

	Six months ended 30 June 2024 (unaudited)				
	Liabilities for the remaining portion of coverage		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	Total
Liabilities under insurance contracts at the beginning	199,401	7,451	45,849	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	**(128,939)**	-	-	-	**(128,939)**
Insurance expense:					
Incurred claims and other incurred insurance service expenses	-	(1,264)	63,722	918	**63,376**
Changes attributed to past periods	(775)	(686)	(1,771)	(353)	**(3,585)**
Losses under groups of onerous contracts and restoration of such losses	-	1,450	-	-	**1,450**
Amortization of acquisition cash flows	33,686	-	-	-	**33,686**
Total expenses for insurance services taken into account in the assessment of liabilities	**32,911**	**(500)**	**61,951**	**565**	**94,927**
Result of insurance activities	(96,028)	(500)	61,951	565	(34,012)
Financial expenses or income from insurance contracts issued	4,445	209	1,895	317	6,866
Expenses from the revaluation of foreign currency	1,403	107	-	-	1,510
Total amounts recognized in profit or loss	**(90,180)**	**(291)**	**63,846**	**882**	**(25,743)**
Other changes	34	-	-	-	**34**
Cash flows for the period:					
Premiums received under insurance contracts issued	175,898	-	-	-	175,898
Payments for incurred insurance losses and other expenses for insurance services paid under issued insurance contracts, with the exception of acquisition cash flows	-	-	(43,549)	-	(43,549)
Acquisition cash flows	(35,896)	-	-	-	(35,896)
Total cash flows	**140,036**	-	**(43,549)**	-	**96,487**
Change in reserves for the period	**49,856**	**(291)**	**20,297**	**882**	**70,744**
Liabilities under insurance contracts at the end of the period	248,021	7,160	74,041	17,246	**346,468**
Assets under insurance contracts at the end of the period	9,053	-	3,885		**12,938**
Total as at 30 June 2024 (unaudited)	**238,968**	**7,160**	**70,146**	**17,246**	**333,520**

	Six months ended 30 June 2023 (unaudited)				
	Liabilities for the remaining portion of coverage		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	Total
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	**(139,394)**	**-**	**-**	**-**	**(139,394)**
Insurance expense:					
Incurred insurance losses and other incurred costs for insurance services	-	(4,510)	47,957	4,561	48,008
Changes attributed to past periods	-	-	6,937	1,296	8,233
Losses under groups of onerous contracts and restoration of such losses	-	8,528	-	-	8,528
Amortization of acquisition cash flows	22,174	-	-	-	22,174
Total expenses for insurance services taken into account in the assessment of liabilities	**22,174**	**2,018**	**54,894**	**5,858**	**84,943**
Result of insurance activities	(117,220)	2,018	54,894	5,858	(54,450)
Financial expenses or income from insurance contracts issued	(1,696)	245	2,026	284	859
Expenses from the revaluation of foreign currency	(302)	-	-	-	(302)
Total amounts recognized in profit or loss	**(119,218)**	**2,263**	**56,920**	**6,142**	**(53,893)**
Other changes	(8)	-	-	-	(8)
Cash flows for the period:					
Premiums received under insurance contracts issued	145,068	-	-	-	145,068
Payments for incurred insurance losses and other expenses for insurance services paid under issued insurance contracts, with the exception of acquisition cash flows	-	-	(59,663)	(5,728)	(65,391)
Acquisition cash flows	(21,781)	-	-	-	(21,781)
Total cash flows	123,279	-	(59,663)	(5,728)	57,888
Change in reserves for the period	**4,061**	**2,263**	**(2,743)**	**414**	**3,995**
Liabilities under insurance contracts at the end of the period	186,697	9,141	36,922	6,104	238,864
Assets under insurance contracts at the end of the period	11,680	-	8,975	-	35,655
Total as at 30 June 2023 (unaudited)	**175,017**	**9,141**	**32,947**	**6,104**	**223,209**

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:

	30 June 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
Assets under issued insurance contracts	-	-	-	-	(9)	(174)	(490)	(10,660)	(447)	(1,158)	(12,938)
Liabilities under issued insurance contracts	20,143	121,014	39,339	2,802	85,045	5,564	9,581	35,352	10,777	16,741	346,458
Net amount	**20,143**	**121,014**	**39,339**	**2,802**	**85,036**	**5,390**	**9,091**	**24,692**	**10,330**	**15,583**	**333,520**

	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
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:

		Life insurance					General insurance		
30 June 2024 (unaudited)	Currency	1 year	5 years	10 years	20 years	30 years	1 year	5 years	10 years
Insurance contract	KZT	13.6%	12.0%	11.6%	11.8%	11.9%	14.8%	12.0%	11.9%
	USD	5.4%	4.4%	4.3%	4.3%	4.0%	-	-	-
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%	-	-	-

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:

	30 June 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	20,143	-	20,143	14,055	-	14,055
Pension annuities	121,014	-	121,014	116,973	-	116,973
Endowment insurance	39,339	-	39,339	70,593	-	70,593
Term life insurance	2,802	(2,091)	711	3,319	(4,616)	(1,297)
Short-term contracts	85,036	(4,631)	80,405	37,164	(6,600)	30,564
Health insurance	5,390	(173)	5,217	1,836	(36)	1,800
Mandatory liability insurance for vehicle owners	9,091	-	9,091	4,239	-	4,239
Property insurance	24,692	(10,483)	14,209	1,319	(4,069)	(2,750)
Motor transport and liability insurance	10,330	(110)	10,220	9,443	(108)	9,335
Other	15,683	(9,051)	6,632	3,835	(2,126)	1,709
Total	**333,520**	**(26,539)**	**306,981**	**262,776**	**(17,455)**	**245,321**

	30 June 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						
Kazakhstan	265,515	(1,968)	267,483	205,910	5,562	200,348
OECD	(4,574)	(7,961)	(1,613)	(3,581)	(2,006)	(1,575)
Non-OECD	(4,645)	(7,525)	2,880	(5,772)	1,818	(7,590)
	256,296	**(12,454)**	**268,750**	**196,557**	**5,374**	**191,183**

	30 June 2024 (unaudited)			31 December 2023		
	Liabilities for losses incurred	Reinsurance assets for losses incurred	Net amount	Liabilities for losses incurred	Reinsurance assets for losses incurred	Net amount
Concentration by region						
Kazakhstan	72,096	(14,081)	86,177	65,279	12,063	53,216
OECD	3,367	(2)	3,369	394	30	364
Non-OECD	1,761	(2)	1,763	545	8	538
	77,224	**(14,085)**	**91,309**	**66,219**	**12,081**	**54,138**

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.

30 June 2024 (unaudited)	Book value	Less than a year	1-4 years	5-9 years	10-19 years	More than 20 years
Pension annuities	71,423	43,081	13,425	7,317	5,339	2,260
Halyk Kazyna	13,832	3,397	9,024	606	806	-
Total	**85,255**	**46,478**	**22,449**	**7,923**	**6,145**	**2,260**

31 December 2023	Book value	Less than a year	1-4 years	5-9 years	10-19 years	More than 20 years
Pension annuities	51,210	30,949	9,645	5,257	3,836	1,624
Halyk Kazyna	15,117	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:

	30 June 2024 (unaudited)	31 December 2023
Other financial assets:		
Banking debtors	60,708	75,695
Finance lease receivables	28,132	17,273
Debtors for non-banking activities	11,369	13,115
Accrued commission income	9,503	7,207
Other	208	134
	109,920	113,422
Less – Allowance for expected credit losses	(37,798)	(31,656)
Total financial assets	72,122	81,766
Other non-financial assets:		
Investments in associated organizations	52,821	51,464
Prepayment for property, plant and equipment	12,903	8,042
Prepaid taxes, excluding income tax	12,413	9,204
Inventory	7,714	7,725
Other investments	4,893	3,874
Goodwill	3,055	3,055
Prepayment for investment property	2,618	2,737
Precious metals	2,492	2,253
Other	2,836	3,542
Total non-financial assets	101,345	91,896
Total other assets	173,467	173,662

As at 30 June 2024, investments in associated organizations include investments in JSC Altyn Bank (SB of China CITIC Bank Corporation Ltd.) in the amount of KZT 52,631 million and Open Travel Networks Ltd in the amount of KZT 189 million (31 December 2023 – KZT 51,195 million and KZT 269 million, respectively). As at 10 April 2024, the Group received dividends in the amount of KZT 6,800 million from its associate JSC Altyn Bank.

14. Amounts due to customers

Amounts due to customers include the following:

	30 June 2024 (unaudited)	31 December 2023
Recorded at amortised cost:		
Term deposits:		
Individuals	5,304,080	4,808,592
Legal entities	3,634,420	3,338,099
	8,938,500	**8,146,691**
Current accounts:		
Legal entities	1,605,012	1,762,760
Individuals	1,072,390	1,020,053
	2,677,402	**2,782,813**
Total amounts due to customers	**11,615,902**	**10,929,504**

As at 30 June 2024, the Group's ten largest groups of related customers accounted for approximately 11% 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 30 June 2024, amounts due to customers included amounts held as collateral of KZT 187,637 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 second quarter of 2024, the Group recognized the loss in amount of KZT 66,114 million in the consolidated income statement for the six months ended 30 June 2024 due to the early repayment of the deposit of JSC Kazakhstan Sustainability Fund.

An analysis of customer accounts by sectors is as follows:

	30 June 2024 (unaudited)	%	31 December 2023	%
Individuals and entrepreneurs	6,376,470	55%	5,828,645	54%
Wholesale trade	785,285	7%	842,830	8%
Other consumer services	696,266	6%	679,724	6%
Financial sector	560,260	5%	457,576	4%
Transportation	543,515	5%	404,404	4%
Construction	440,028	4%	557,895	5%
Oil and gas	351,478	3%	454,390	4%
Healthcare and social services	313,016	3%	267,791	2%
Metallurgy	294,405	3%	357,750	3%
Education	160,456	1%	161,137	1%
Government and state-controlled companies	159,943	1%	106,071	1%
Energy	149,595	1%	97,300	1%
Insurance and pension funds activity	96,635	1%	131,413	1%
Communication	85,164	1%	109,978	1%
Other	785,285	4%	483,610	5%
	11,615,902	100%	10,929,504	100%

15. Amounts due to credit institutions

Amounts due to credit institutions comprise:

	30 June 2024 (unaudited)	31 December 2023
Recorded at amortised cost:		
Loans and deposits from OECD based (incl. loans under repurchase agreements)	411,104	143,511
Loans and deposits from non-OECD based banks	146,708	64,404
Correspondent accounts	119,604	60,205
Loans from JSC Entrepreneurship Development Fund DAMU	92,278	84,991
Loans from JSC Development Bank of Kazakhstan	80,739	80,873
Loans and deposits from Kazakhstan banks (incl. loans under repurchase agreements)	71,741	285,349
Loans from JSC Agrarian Credit Corporation	63,214	27,924
Loans from JSC Industrial Development Fund	19,495	22,637
Deposits of JSC "National Payment Corporation of the National Bank of the Republic of Kazakhstan"	7,253	6,890
Loans from other financial institutions	-	1,526
Total amounts due to credit institutions	**1,012,130**	**778,311**

As at 30 June 2024, loans from JSC Entrepreneurship Development Fund DAMU ("DAMU") included long-term loans of KZT 90,237 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.

As at 30 June 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 1,482 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 30 June 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 7.0% interest rate maturing in 2029 – 2037, to finance corporate enterprises operating in manufacturing industries, as well as a long-term loan of KZT 43,662 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 30 June 2024, loans from JSC Industrial Development Fund ("IDF") included long-term loans of KZT 19,412 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 30 June 2024, loans from JSC Agrarian Credit Corporation under the "Ken-Dala" program included long-term loans in the amount of KZT 63,000 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.

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

	30 June 2024 (unaudited)		31 December 2023	
	Interest rate, %	Maturity, year	Interest rate, %	Maturity, year
Loans and deposits from OECD based banks (incl. loans under repurchase agreements)	5.5%-6.8%	2024-2025	6.0%-6.8%	2024-2025
Loans and deposits from non-OECD based banks	1.8%-19.0%	2024-2027	2.0%-25.0%	2024-2027
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%-7.0%	2029-2037	1.0%-2.0%	2029-2037
Loans and deposits from Kazakhstan banks (incl. loans under repurchase agreements)	6.0%-17.0%	2024-2026	4.0%-17.0%	2024-2026
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	14.6%	2024
Loans from other financial institutions	-	-	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 30 June 2024 and 31 December 2023, are as follows:

	30 June 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)	50,524	50,077	269,231	268,663
Financial assets at fair value through profit or loss (Note 6)	17,594	17,628	12,110	12,098
Financial assets at fair value through other comprehensive income (Note 8)	385,421	374,079	188,100	147,042
	453,539	441,784	469,441	427,803

Details of transferred financial assets that are not derecognised in their entirety as at 30 June 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. 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.

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 30 June 2024 (unaudited):			
Fair value of transferred assets	50,424	17,594	386,021
Carrying amount of associated liabilities	50,077	17,628	374,079
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	147,047

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 30 June 2024 and 31 December 2023 the Group was in compliance with covenants.

16. Debt securities issued

Debt securities issued consisted of the following:

	30 June 2024 (unaudited)	31 December 2023
Recorded at amortised cost:		
Subordinated debt securities issued:		
KZT denominated bonds, fixed rate	101,179	94,246
Total subordinated debt securities outstanding	**101,179**	**94,246**
Unsubordinated debt securities issued:		
USD denominated bonds	320,803	324,803
KZT denominated bonds	235,254	234,344
Total unsubordinated debt securities outstanding	**556,057**	**559,147**
Total debt securities outstanding	**657,236**	**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 30 June 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 30 June 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 30 June 2024 USD 229.8 million were placed.

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

	30 June 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	7.4%	2024-2025
USD denominated bonds	3.5%-4.0%	2025	3.5%-4.0%	2025

As at 30 June 2024, accrued interest on debt securities issued was KZT 13,608 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.

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.

		Cash changes		Non-cash changes		
	1 January 2024	Issuance of debt securities	Redemption and repayment of debt securities	Foreign exchange movement	Changes in amortised cost	30 June 2024 (unaudited)
Debt securities issued	653,393	18,722	(33,233)	10,700	7,654	657,236

		Cash changes		Non-cash changes		
	1 January 2023	Issuance of debt securities	Redemption and repayment of debt securities	Foreign exchange movement	Changes in amortised cost	30 June 2023 (unaudited)
Debt securities issued	462,817	261,400	(173,659)	2,835	7,821	561,214

17. Taxation

The income tax expense comprises:

	Three months ended 30 June 2024 (unaudited)	Three months ended 30 June 2023 (unaudited)	Six months ended 30 June 2024 (unaudited)	Six months ended 30 June 2023 (unaudited)
Current income tax expense	37,174	29,672	80,529	62,070
Deferred income tax benefit/(expense)	(2,855)	(1,401)	(15,581)	173
Total income tax expense	**34,319**	**28,271**	**64,948**	**62,243**

The income tax rate for Kazakhstan legal entities was 20% for the six months ended 30 June 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. The income tax rate in Georgia and the Republic of Uzbekistan is 20%.

The Group's effective income tax rate for the six months ended 30 June 2024 is 14.6% (for the six months ended 30 June 2023 – 14.4%).

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:

	30 June 2024 (unaudited)	31 December 2023
Other financial liabilities:		
Dividends accrued but not paid	193,562	-
Liabilities from continuing involvement	105,465	104,921
Banking creditors	61,689	52,130
Lenders for non-banking activities	18,658	16,382
General and administrative expenses payable	6,539	2,641
Lease liabilities	4,412	4,965
Other	19,605	805
	409,930	**181,794**
Other non-financial liabilities:		
Accrual for settlements with employees, bonuses and vacations	34,621	35,110
Other advances received	11,665	13,598
Tax debts other than income tax	11,541	8,416
Commercial real estate lenders	6,677	3,838
	64,504	**60,962**
	468,434	**242,756**

As at 30 June 2024, the Bank's other liabilities included the amount of accrued but unpaid dividends on the Bank's common shares based on the results of operations for 2023, and amounted to KZT 193,562 million. Dividends were paid in accordance with the requirements of the legislation of the Republic of Kazakhstan and, as of the date of issue of the financial statements, the Bank has no obligations to pay dividends on the Bank's common shares to shareholders.

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 not 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.

19. Equity

The number of shares authorised, issued and fully paid as at 30 June 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
30 June 2024 (unaudited)					
Common	25,000,000,000	(11,552,455,218)	13,447,544,782	(2,544,334,301)	10,903,210,481
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	(6,087,824)	(1,088)
Sale of treasury shares	7,126,714	1,042
30 June 2024 (unaudited)	**10,903,210,481**	**(49,533)**

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 30 June 2024 and 31 December 2023, share capital comprised KZT 209,027 million.
As at 30 June 2024, the Group held 2,544,334,301 shares of the Group's common shares as treasury shares at KZT 258,560 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.

20. Commitments and contingencies, provisions

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

	30 June 2024 (unaudited)	31 December 2023
Guarantees issued	954,011	820,260
Commercial letters of credit	123,674	120,497
Commitments to extend credit	67,014	65,207
Financial commitments and contingencies	1,144,699	1,005,964
Less: cash collateral against letters of credit	(41,612)	(45,279)
Less: provisions	(8,581)	(11,695)
Financial commitments and contingencies, net	1,094,506	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 30 June 2024, uncovered guarantees issued for the ten largest groups of customers/groups of customers accounted for 46% 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 30 June 2024, the ten largest unsecured letters of credit accounted for 59% 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.

The movements in provisions were as follows:

	Three months ended 30 June 2024 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total
At the beginning of the period	(1,703)	(3,004)	(3,926)	(8,633)
Transfer to Stage 1	(433)	-	433	-
Recoveries of provisions/(additional provisions recognized)	329	502	(536)	295
Foreign exchange differences	(80)	(23)	(140)	(243)
At the end of the period	(1,887)	(2,525)	(4,169)	(8,583)

	Six months ended 30 June 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	(854)	-	854	-
Recoveries of provisions/(additional provisions recognized)	805	695	1,803	3,303
Foreign exchange differences	(62)	(2)	(125)	(189)
At the end of the period	(1,887)	(2,525)	(4,169)	(8,583)

	Three months ended 30 June 2023 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total
At the beginning of the period	(171)	(6,353)	(5,708)	(12,232)
Transfer to Stage 3	364	-	(364)	-
(Additional provisions recognized)/recoveries of provisions	(1,402)	553	1,154	305
Foreign exchange differences	170	80	(169)	81
At the end of the period	(1,039)	(5,720)	(5,087)	(11,846)

	Six months ended 30 June 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	(5,177)	-	5,177	-
Transfer to Stage 2	1	(1)	-	-
Transfer to Stage 3	1,665	-	(1,665)	-
Recoveries of provisions/(additional provisions recognized)	2,476	793	(1,712)	1,557
Foreign exchange differences	-	207	163	370
At the end of the period	(1,039)	(5,720)	(5,087)	(11,846)

Capital commitments

As at 30 June 2024, the Group had capital expenditures commitments in respect of construction in progress for KZT 32,475 million, of which KZT 25,323 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 30 June 2024 and 31 December 2023.

21. Net interest income

	Three months ended 30 June 2024 (unaudited)	Three months ended 30 June 2023 (unaudited)	Six months ended 30 June 2024 (unaudited)	Six months ended 30 June 2023 (unaudited)
Interest income:				
Loans to customers	408,341	319,543	806,260	624,004
- Corporate business	*170,396*	*144,190*	*337,767*	*284,074*
- Retail business	*171,575*	*123,338*	*340,159*	*239,192*
- SME business	*66,964*	*52,015*	*137,340*	*100,738*
Debt securities at amortised cost, net of allowance for expected credit losses	13,048	19,480	26,471	39,235
Financial assets at fair value through other comprehensive income	47,406	36,411	89,464	68,234
Amounts due from credit institutions and cash and cash equivalents	32,523	13,170	63,505	27,110
Other assets	1,867	1,567	3,525	3,855
Interest income calculated using effective interest method	**503,785**	**390,171**	**988,226**	**762,438**
Financial assets at fair value through profit or loss	11,969	10,022	23,782	18,024
Other interest income	**11,969**	**10,022**	**23,782**	**18,024**
Total interest income	**515,754**	**400,193**	**1,012,008**	**780,462**
Interest expense:				
Amounts due to customers	(237,127)	(184,981)	(457,765)	(353,369)
- Individuals	*(119,070)*	*(80,314)*	*(234,833)*	*(161,585)*
- Legal entities	*(118,157)*	*(104,667)*	*(222,932)*	*(191,784)*
Amounts due to credit institutions	(11,038)	(9,257)	(22,054)	(18,003)
Debt securities issued	(10,219)	(10,981)	(20,164)	(21,870)
Other financial liabilities	(166)	(147)	(386)	(297)
Other interest and similar expenses	(77)	(12)	(376)	(16)
Total interest expense	**(258,727)**	**(205,378)**	**(500,745)**	**(393,555)**
Net interest income before credit loss expense	**257,027**	**194,815**	**511,263**	**386,907**

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

For the six months ended 30 June 2024, the total interest income calculated using the effective interest rate ("EIR") method for financial assets measured at amortised cost comprised KZT 898,761 million (for the six months ended 30 June 2023: KZT 694,204 million).

22. Fees and commissions

Fee and commission income is derived from the following sources:

	Three months ended 30 June 2024 (unaudited)	Three months ended 30 June 2023 (unaudited)	Six months ended 30 June 2024 (unaudited)	Six months ended 30 June 2023 (unaudited)
Transactional income of individuals	33,280	34,577	68,191	67,259
Transactional income of legal entities	10,084	10,128	18,920	20,105
Letters of credit and guarantees issued	6,721	4,906	12,714	8,883
Other	2,189	3,193	4,717	5,092
Loyalty program	(2,618)	(3,520)	(4,812)	(2,690)
Total fee and commission income	**49,656**	**53,284**	**99,730**	**98,689**

Fee and commission expense is derived from the following sources:

	Three months ended 30 June 2024 (unaudited)	Three months ended 30 June 2023 (unaudited)	Six months ended 30 June 2024 (unaudited)	Six months ended 30 June 2023 (unaudited)
Transactional expense of individuals	(19,313)	(17,354)	(37,498)	(36,008)
Deposit insurance	(3,632)	(4,587)	(7,380)	(6,232)
Transactional expense of legal entities	(1,322)	(1,458)	(2,448)	(2,541)
Other	(422)	(1,045)	(951)	(2,189)
Total fee and commission expense	**(23,695)**	**(24,484)**	**(48,277)**	**(46,970)**

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.

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 30 June 2024 (unaudited)	Three months ended 30 June 2023 (unaudited)	Six months ended 30 June 2024 (unaudited)	Six months ended 30 June 2023 (unaudited)
Net gain/(loss) on operations with financial assets and liabilities classified as held for trading:				
Realized net gain on derivative operations	16,282	5,372	24,690	6,923
Unrealized net gain on derivative operations	4,024	9,953	7,283	14,871
Net (loss)/gain on trading operations	(1,768)	5,210	8,113	7,876
Total net gain on operations with financial assets and liabilities classified as held for trading	**18,538**	**20,535**	**50,086**	**29,670**

24. Net gain on foreign exchange operations

Net foreign exchange gain comprises:

	Three months ended 30 June 2024 (unaudited)	Three months ended 30 June 2023 (unaudited)	Six months ended 30 June 2024 (unaudited)	Six months ended 30 June 2023 (unaudited)
Dealing, net	31,952	24,729	59,652	50,668
Translation differences, net	(6,196)	(13,456)	(21,421)	(19,258)
Total net foreign exchange gain	**25,756**	**11,273**	**38,231**	**31,410**

25. Insurance revenue and insurance service expense

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

Three months ended 30 June 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	2,003	3,880	5,368	145	21,349	3,652	3,143	14,526	3,545	4,590	62,141
Release of risk adjustment	8	853	143	48	-	-	-	-	-	-	1,052
Margin amortization	182	1,354	1,440	170	-	-	-	-	-	-	3,076
Depreciation of acquisition costs	8	193	946	2,767	-	-	-	-	-	-	3,914
Total insurance revenue	2,181	6,280	7,897	3,130	21,349	3,652	3,143	14,526	3,545	4,590	70,183

Six months ended 30 June 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	4,392	9,109	16,356	429	27,004	6,286	5,998	26,709	6,632	11,114	114,029
Release of risk adjustment	13	1,603	250	68	-	-	-	-	-	-	1,984
Margin amortization	375	2,797	2,115	356	-	-	-	-	-	-	5,639
Depreciation of acquisition costs	31	334	1,190	5,762	-	-	-	-	-	-	7,287
Total insurance revenue	4,787	13,873	19,901	6,635	27,004	6,286	5,998	26,709	6,632	11,114	128,939

Selected Explanatory Notes to the Interim Condensed Consolidated Financial Information for the Six Months ended 30 June 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge)

Three months ended 30 June 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	2,194	3,937	3,773	584	16,442	4,885	3,699	18,810	4,579	9,103	65,996
Release of risk adjustment	76	1,624	1,460	505	-	-	-	-	-	-	3,665
Margin amortization	271	1,312	1,519	174	-	-	-	-	-	-	3,276
Depreciation of acquisition costs	-	-	235	3,011	-	-	-	-	-	-	3,246
Total insurance revenue	**2,534**	**7,015**	**4,987**	**4,274**	**16,442**	**4,885**	**3,699**	**18,810**	**4,579**	**9,103**	**76,328**

Six months ended 30 June 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	3,848	10,448	9,771	1,187	37,965	6,435	5,826	28,933	6,670	11,299	122,382
Release of risk adjustment	98	4,814	1,899	667	-	-	-	-	-	-	7,478
Margin amortization	560	2,927	2,274	383	-	-	-		-	-	6,145
Depreciation of acquisition costs	-	-	235	3,011	-	-	-	-	-	-	3,246
Total insurance revenue	**4,509**	**18,331**	**14,179**	**5,247**	**37,965**	**6,435**	**5,826**	**28,933**	**6,670**	**11,299**	**139,394**

Three months ended 30 June 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 claims and other incurred insurance service expenses	(4,417)	(7,486)	(738)	(1,249)	(18,308)	(2,745)	(3,395)	(1,767)	(1,773)	(917)	(35,766)
Adjustments to liabilities for incurred claims	(2)	(27)	333	(44)	9,804	668	(1,152)	(3,156)	(62)	(723)	5,661
Recovery of losses under groups of previous contracts	(57)	(137)	(1,850)	(846)	-	-	-	-	1,030	-	(1,810)
Amortisation of insurance acquisition cash flows	(10)	(2,015)	(1,084)	(4,526)	(10,933)	(302)	(849)	(1,821)	(1,897)	(545)	(23,982)
Total expenses for insurance services taken into account in the assessment of liabilities	(4,486)	(9,715)	(3,339)	(6,265)	(19,437)	(2,379)	(5,397)	(6,744)	(2,702)	(2,183)	(55,647)

	Six months ended 30 June 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 claims and other incurred insurance service expenses	(6,172)	(10,525)	(8,755)	(1,962)	(15,812)	(5,319)	(6,069)	(5,442)	(5,984)	(2,042)	(62,476)
Adjustments to liabilities for incurred claims	(2)	(27)	270	(195)	21,604	330	(1,195)	(3,182)	(246)	(3,822)	3,585
Recovery of losses under groups of onerous contracts	(11)	(187)	(1,602)	(407)	-		-	-	847	-	(1,450)
Amortization of insurance acquisition cash flows	(11)	(1,033)	(1,161)	(5,762)	(14,285)	(438)	(2,326)	(2,347)	(3,427)	(2,837)	(33,686)
Total expenses for insurance services taken into account in the assessment of liabilities	(6,196)	(12,832)	(11,357)	(7,676)	(18,493)	(5,422)	(9,590)	(8,971)	(6,709)	(7,701)	(94,927)

	Three months ended 30 June 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 claims and other incurred insurance service expenses	(1,573)	(7,578)	(678)	(195)	(3,578)	(5,638)	(3,636)	(758)	(2,316)	(558)	(24,526)
Adjustments to liabilities for incurred claims	-	-	337	545	(9,701)	31	392	(416)	(7)	803	(8,016)
Recovery of losses under groups of onerous contracts	(549)	-	(1,275)	(318)	-	-	(17)	-	595	-	(1,088)
Amortization of insurance acquisition cash flows	(2)	(97)	(161)	(2,065)	(5,576)	(294)	(2,850)	(769)	(3,733)	(1,392)	(14,942)
Total expenses for insurance services taken into account in the assessment of liabilities	(1,944)	(7,675)	(1,779)	(2,033)	(18,855)	(5,901)	(6,111)	(1,943)	(5,461)	(1,147)	(48,872)

	Six months ended 30 June 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 claims and other incurred insurance service expenses	(2,982)	(10,070)	(7,402)	(226)	(8,973)	(4,835)	(4,877)	(1,135)	(3,872)	(1,698)	(46,008)
Adjustments to liabilities for incurred claims	-	-	248	401	(7,137)	(345)	152	270	(448)	(1,574)	(8,233)
Recovery of losses on groups of onerous contracts	(1,650)	-	(5,711)	(1,421)	-	-	(17)	-	271		(8,528)
Amortisation of insurance acquisition cash flows	(3)	(142)	(235)	(3,011)	(8,137)	(434)	(4,105)	(1,194)	(2,562)	(2,356)	(22,174)
Total expenses for insurance services taken into account in the assessment of liabilities	(4,633)	(10,212)	(13,160)	(4,257)	(24,142)	(5,494)	(8,847)	(2,059)	(6,611)	(5,628)	(84,943)

26. Operating expenses

Operating expenses comprised:

	Three months ended 30 June 2024 (unaudited)	Three months ended 30 June 2023 (unaudited)	Six months ended 30 June 2024 (unaudited)	Six months ended 30 June 2023 (unaudited)
Salaries and other employee benefits	33,715	32,112	68,403	60,646
Depreciation and amortisation expenses	4,741	4,291	9,623	8,780
Charity*	3,373	2,381	3,656	2,624
Taxes other than income tax	2,774	2,409	5,278	4,457
Communication	2,136	1,838	3,995	3,532
Information services	2,021	1,481	4,093	2,861
Security	1,419	982	2,932	2,370
Utilities expenses	1,350	1,381	2,706	2,776
Repairs and maintenance	1,277	1,217	2,187	1,880
Advertisement	1,197	1,290	2,209	1,938
Rent	869	762	1,757	1,560
Stationery and office supplies	725	714	1,371	1,437
Professional services	627	265	1,196	879
Other	3,002	1,934	6,499	4,281
Total operating expenses	**59,217**	**53,157**	**115,904**	**99,583**

* To support the citizens of Kazakhstan, the Halyk Foundation continues to focus on providing social assistance to the country and its population, both in emergency situations and in the development of social infrastructure, including in the field of education and sports development in rural areas of the country. During the six months ended 30 June 2024, the Group contributed KZT 2 billion to the Foundation (31 December 2023 – KZT 2 billion), which is part of the charitable expenses.

27. Income on non-banking activities

	Three months ended 30 June 2024 (unaudited)	Three months ended 30 June 2023 (unaudited)	Six months ended 30 June 2024 (unaudited)	Six months ended 30 June 2023 (unaudited)
Net gain on sale of commercial property	6,302	4,846	9,649	9,280
Net gain on sale of assets classified as held for sale	3,293	37	3,525	73
Net gain on sale of investment property	1,911	1,541	2,722	1,682
Other (expense)/income on non-banking activities	(469)	341	(465)	412
Income on non-banking activities	**10,837**	**6,765**	**15,431**	**11,447**

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 30 June 2024 (unaudited)	Three months ended 30 June 2023 (unaudited)	Six months ended 30 June 2024 (unaudited)	Six months ended 30 June 2023 (unaudited)
Basic and diluted earnings per share				
Net profit for the period attributable to equity holders of the parent	201,129	178,360	379,093	370,814
Earnings attributable to common shareholders	201,129	178,360	379,093	370,814
Weighted average number of common shares for the purposes of basic earnings per share	10,903,288,784	10,889,452,467	10,903,160,597	10,886,684,305
Basic and diluted earnings per share (in Tenge)	**18.45**	**16.38**	**34.77**	**34.06**

As required by KASE rules for listed companies, the book value of one share per each class of shares as at 30 June 2024 and 31 December 2023 is disclosed as follows:

		30 June 2024 (unaudited)	
Class of shares	Outstanding shares	Equity (as calculated per KASE rules)	Book value of one share, in KZT
Common	10,903,210,481	2,562,936	235.06
		2,562,936	

		31 December 2023	
Class of shares	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.

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 6 months ended 30 June 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.

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.

					30 June 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	1,424,678	5,436	-	-	-	1,430,114
Obligatory reserves	124,682	22,862	83,174	16,576	6,297	253,611
Financial assets at fair value through profit or loss	659,288	12,264	-	16,814	-	688,366
Amounts due from credit institutions	92,805	360	40,926	11,632	341	146,054
Financial assets at fair value through other comprehensive income	104,837	220,220	606,304	1,408,474	750,427	2,990,262
Debt securities at amortised cost, net of allowance for expected credit losses	44,340	198,871	1,783	505,081	-	750,075
Loans to customers	386,735	799,970	4,916,804	3,355,154	439,074	9,897,737
Other financial assets	28,160	3,142	13,515	23,215	4,090	72,122
	2,865,525	**1,163,115**	**5,662,526**	**5,336,946**	**1,200,229**	**16,228,341**
FINANCIAL LIABILITIES:						
Amounts due to customers	5,837,865	1,129,482	3,804,391	649,465	194,599	11,615,902
Amounts due to credit institutions	519,723	87,727	162,980	67,586	174,116	1,012,134
Financial liabilities at fair value through profit or loss	4,978	-	-	635	-	5,613
Debt securities issued		4,061	234,357	418,218	-	657,236
Other financial liabilities	380,545	6,197	16,596	224	368	403,930
	6,743,111	**1,228,067**	**4,218,324**	**1,136,128**	**369,183**	**13,694,813**
Net position	**(3,877,586)**	**(64,952)**	**1,444,202**	**4,200,818**	**831,046**	**2,533,528**
Accumulated gap	**(3,877,586)**	**(3,942,538)**	**(2,498,336)**	**1,702,482**	**2,533,528**	

						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	1,169,297	543,054	2,425,962
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	638,404	368,501	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 30 June 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.

Currency Risk

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

	30 June 2024 (unaudited)						
	USD	EURO	RUR	Other	Total foreign currencies	KZT	Total
FINANCIAL ASSETS:							
Cash and cash equivalents	202,672	62,894	30,444	92,434	388,444	1,041,670	1,430,114
Obligatory reserves	13,656	2,452	-	200	16,308	237,303	253,611
Financial assets at fair value through profit or loss	280,367	3,952	21	1,302	285,642	402,724	688,366
Amounts due from credit institutions	104,687	-	813	18,977	124,477	21,577	146,054
Financial assets at fair value through other comprehensive income	1,609,983	219,361	8,685	-	1,838,029	1,152,238	2,990,267
Debt securities at amortised cost, net of allowance for expected credit losses	199,167	-	-	6,637	205,804	544,271	750,075
Loans to customers	1,646,588	158,929	12,726	103,445	1,921,688	7,976,049	9,897,737
Other financial assets	2,437	726	3,066	2,317	8,546	63,576	72,122
	4,059,557	**448,314**	**55,755**	**225,312**	**4,788,938**	**11,439,403**	**16,228,341**
FINANCIAL LIABILITIES							
Amounts due to customers	3,179,926	229,302	50,315	123,784	3,582,727	8,033,175	11,615,902
Amounts due to credit institutions	483,900	23,239	87,987	4,081	599,207	412,927	1,012,134
Financial liabilities at fair value through profit or loss	608	205	644		1,457	4,154	5,611
Debt securities issued	320,804	-	-	-	320,804	336,432	657,236
Other financial liabilities	5,077	2,195	53	15,581	22,906	381,024	403,930
	3,989,715	**254,941**	**139,999**	**143,446**	**4,527,101**	**9,167,712**	**13,694,813**
Net position – on-balance	**69,842**	**193,373**	**(83,244)**	**81,866**	**261,837**	**2,271,691**	**2,533,528**
Net position – off-balance	**(10,678)**	**(189,494)**	**89,778**	**(1,057)**	**(111,451)**	**130,771**	
Net position	**59,164**	**3,879**	**6,534**	**80,809**	**150,386**	**2,402,462**	

							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	246,203	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	193,299		--	10,380	203,679	521,664	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	21,096	740	1,976	266	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**	

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 July 2021, 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, taking into account the conservation buffer, in the amount of 9.5%, 10.5% and 12.0%, respectively.

The below table summarises the regulatory capital composition and capital adequacy ratios of the Group for the periods ended 30 June 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.

	30 June 2024 (unaudited)	31 December 2023
Composition of regulatory capital		
CET 1 Capital		
Common shares, net of treasury shares	(49,533)	(49,487)
Share premium	8,838	8,667
Retained earnings of prior years	2,170,428	1,750,723
Net income for the current year	379,053	693,436
Accumulated disclosed reserves	53,788	54,320
Non-controlling interest	10	10
Property and financial assets at fair value through other comprehensive income revaluation reserves	8,451	33,620
Less goodwill and intangible assets	(16,668)	(16,401)
Less cumulative translation reserve	(2,751)	(3,459)
Common Equity Tier 1 (CET 1) Capital	**2,553,656**	**2,451,429**
Additional tier 1		
Tier 2		
Subordinated debt	20,236	37,698
Total qualifying for Tier 2 capital	**20,236**	**37,698**
Total regulatory capital	**2,573,892**	**2,489,127**
Risk weighted assets	14,666,894	12,676,762
CET 1 capital adequacy ratio	**17.40%**	**19.34%**
Tier 1 capital adequacy ratio	**17.40%**	**19.34%**
Total capital adequacy ratio	**17.54%**	**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 six months ended 30 June 2024 in comparison with the year ended 31 December 2023.

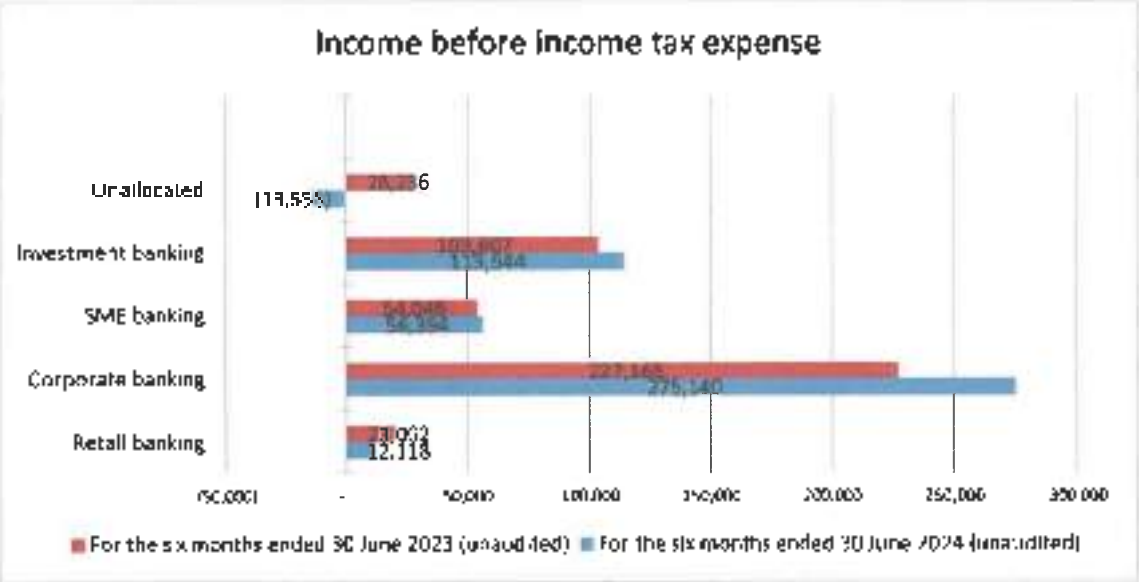
There were no transactions between business segments during the six months ended 30 June 2024 and 2023.

Segment information for the main reportable business segments of the Group as at 30 June 2024 and 2023 and for the six months then ended is set out below:

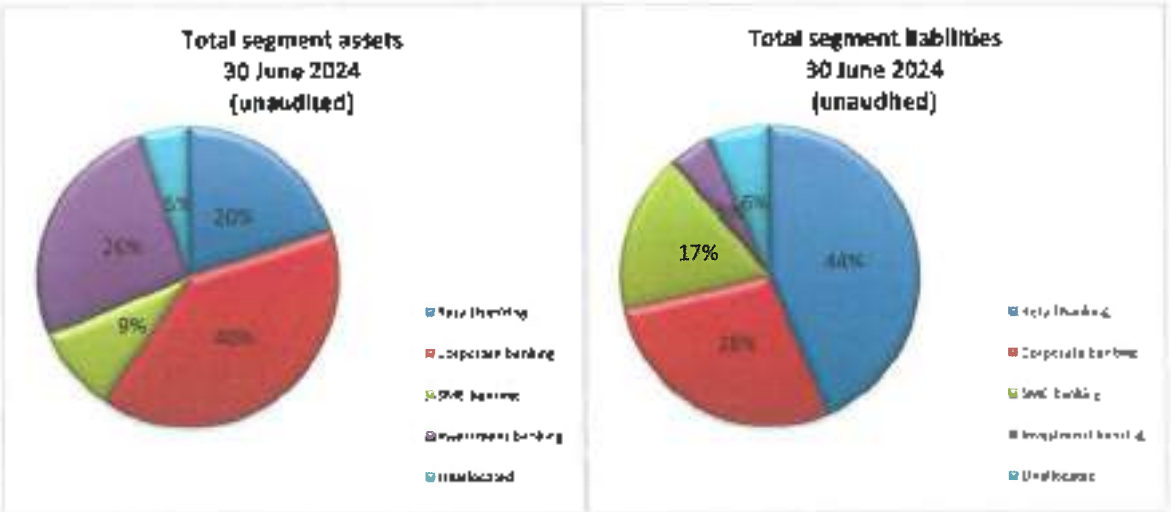
	Retail Banking	Corporate banking	SME banking	Investment banking	Unallocated	Total
As at 30 June 2024 and for the six months then ended (unaudited)						
External revenues	402,632	440,434	170,763	138,131	136,845	1,288,805
Total revenues	**402,632**	**440,434**	**170,763**	**138,131**	**136,845**	**1,288,805**
Total revenues comprise:						
- Interest income	330,153	405,207	137,360	136,007	3,341	1,011,008
- Fee and commission income, including	64,100	16,715	17,055	-	1,860	99,730
Transaction income of individuals	68,191	-	-	-	-	68,191
Transaction income of legal entities	-	5,864	13,756	-	-	18,920
Letters of credit and guarantees issued	-	9,431	3,283	-	-	12,714
Other	616	2,225	16	-	1,860	4,717
Loyalty program	(4,707)	(105)	-		-	(4,812)
- Net gain from financial assets and liabilities at fair value through profit or loss	-	49,694	-	394	-	50,088
- Net realized gain from financial assets measured at fair value through other comprehensive income	-	-	-	1,732	-	1,732
- Net gain/(loss) on foreign exchange operations	8,379	54,912	16,408	-	(21,488)	18,211
- Share in profit of associate	-	-	-	-	8,318	8,318
- Insurance underwriting income, income on non-banking activities and other income	-	(66,114)	-	-	(44,814)	78,700
Total revenues	**402,632**	**440,434**	**170,763**	**138,131**	**136,845**	**1,288,805**
- Interest expense	(234,833)	(160,258)	(82,900)	(22,054)	(720)	(500,745)
- Credit loss expense	(49,344)	1,468	(16,455)	(606)	(4,078)	(69,050)
- Fee and commission expense	(44,131)	(1,895)	(1,805)	(441)	(1)	(48,277)
- Operating expenses	(67,226)	(47,387)	(13,709)	(1,088)	(31,522)	(135,904)
- Recovery of credit loss expense		2,761	534	-	8	3,303
- Gain from recovery of a previously recognized loss from impairment of property, plant and equipment/(loss) from impairment of non-financial assets	-	-	-	-	46	46
- Insurance claims incurred	-	-	-	-	(114,137)	(114,137)
Total expenses	**(390,514)**	**(165,294)**	**(114,369)**	**(24,187)**	**(150,400)**	**(844,764)**
Segment result	**12,118**	**275,140**	**56,394**	**113,944**	**(13,555)**	**444,041**
Income before income tax expense						444,041
Income tax expense						(64,948)
Net profit						**379,093**
Total segment assets	3,365,445	4,022,352	1,511,218	4,350,891	894,809	16,749,825
Total segment liabilities	6,190,659	3,925,875	2,400,548	657,236	939,007	14,113,325
Other segment items:						
Capital expenditures					26,221	26,221
Depreciation and amortization					9,623	9,623
Investments in associate					57,821	57,821

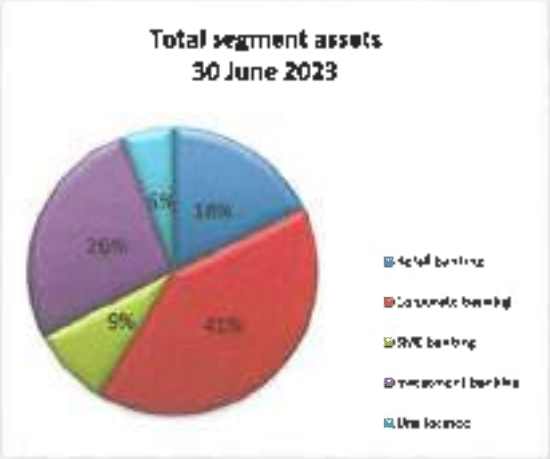
	Retail Banking	Corporate banking	SME Banking	Investment banking	Unallocated	Total
As at 30 June 2024 and for the six months then ended (unaudited)						
External revenue	314,029	375,892	138,045	174,495	164,026	1,116,487
Total revenues	**314,029**	**375,892**	**138,045**	**174,495**	**164,026**	**1,116,487**
Total revenues comprise:						
- Interest income	338,892	311,135	107,869	135,961	699	780,867
Fee and commission income, banking	66,875	13,503	37,582	-	1,749	98,689
Transaction income of individuals	67,310	-	-	-	-	67,310
Transaction income of legal entities	-	4,651	15,454	-	-	20,105
Delivery of credit and guarantees issued	-	6,853	2,032	-		8,885
Other	2,837	1,819	70	-	1,749	5,081
Loyalty programs	(2,572)	(19)	-	-	-	(2,591)
- Net gain/(loss) from financial assets and liabilities at fair value through profit or loss	-	30,737	-	(1,057)		29,680
- Net gain/(loss) on foreign exchange operations	8,562	20,767	16,610	-	(14,639)	31,300
- Share in profit of associate	-	-	-	-	7,155	7,155
Insurance underwriting income, income on non-banking activities and other income	-	-	-	-	169,101	169,101
Total revenues	**314,029**	**375,892**	**138,045**	**174,495**	**164,026**	**1,116,487**
- Interest expense	(156,664)	(153,340)	(62,800)	(37,934)	(5,069)	(315,555)
- Credit loss expense	(80,710)	10,566	(3,990)	(197)	6,289	(67,954)
Fee and commission expense	(40,815)	(7,687)	(866)	(659)	(3)	(46,570)
Net loss from financial assets and liabilities at fair value through other comprehensive income	-	-	-	(1,437)	-	(1,437)
- Operating expenses	(54,452)	(7,293)	(11,308)	(785)	(35,949)	(99,583)
- Recovery of credit loss expense/(Other credit loss expense)		1,823	(237)	-	(29)	1,557
- Loss from impairment of non-financial assets	-	-	-	-	5	5
- Insurance claims incurred	-	-	-	-	(110,193)	(110,193)
Total expenses	**(294,027)**	**(148,727)**	**(80,997)**	**(40,848)**	**(135,799)**	**(699,478)**
Segment result	**20,002**	**227,165**	**58,048**	**109,997**	**28,226**	**443,058**
Income before income tax expense						443,058
Income tax expense					(62,243)	(62,243)
Net profit						**370,815**
Total segment assets	2,557,580	6,857,538	1,289,879	3,020,656	638,721	14,360,183
Total segment liabilities	5,156,727	3,776,264	2,219,671	580,628	477,749	12,242,149
Other segment items:						
Capital expenditures					(32,120)	(32,120)
Depreciation and amortisation					(8,740)	(8,740)
Investments in associate					44,179	44,179

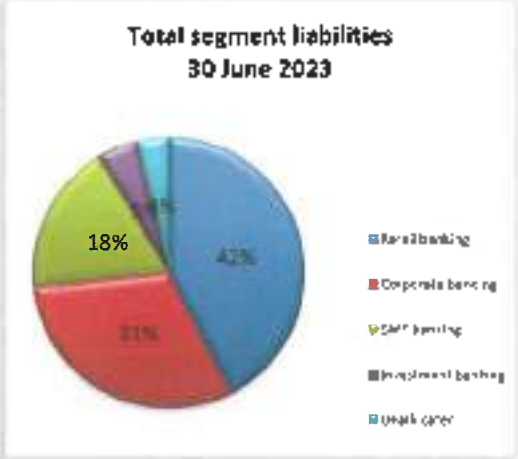
Income before income tax expense by segments were as follows:



Share of segment assets and liabilities as at 30 June 2024 (unaudited) and 30 June 2023 presented as follows:







Geographical information

Information for the main geographical areas of the Group is set out below as at 30 June 2024 and 31 December 2023 and for the six months ended 30 June 2024 and 2023.

	Kazakhstan	OECD	Non-OECD	Total
30 June 2024 (unaudited)				
Total assets	15,383,281	795,473	567,121	16,749,875
31 December 2023				
Total assets	13,495,756	1,393,663	604,949	15,494,368
Six months ended 30 June 2024 (unaudited)				
External revenues	1,226,145	28,042	34,618	1,288,805
Capital expenditures	(26,221)	-	-	(26,221)
Six months ended 30 June 2023 (unaudited)				
External revenues	1,049,252	35,341	31,894	1,116,487
Capital expenditures	(12,120)	-	-	(12,120)

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.

Financial Assets/Liabilities	Fair value 30 June 2024 (unaudited)	Fair value 31 December 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Non-derivative financial assets at fair value through profit or loss (Note 6)	120,721	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)	333,357	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)	140,855	132,682	Level 3	Valuation model based on internal rating model. Discounted cash flows.	Percentage discount	The greater discount - the smaller fair value
Derivative financial assets at fair value through profit or loss, excluding options (Note 6)	33,353	23,836	Level 2	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period).	Not applicable	Not applicable
Total financial assets at fair value through profit or loss	**688,366**	**589,362**				
Derivative financial liabilities at fair value through profit or loss, excluding options (Note 6)	5,611	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	**5,611**	**4,202**				
Non-derivative financial assets at fair value through other comprehensive income (Note 8)	645,739	428,476	Level 1	Quoted prices on 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)	2,344,970	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)	53	53	Level 3	Unquoted equity securities	Percentage discount	The greater discount - the smaller fair value
Financial assets at fair value through other comprehensive income	**2,990,262**	**2,425,902**				

The tables below summarize the Group's financial assets and liabilities held at fair value by valuation methodology as at 30 June 2024 and 31 December 2023, before any allowances for expected credit losses.

During the six months ended 30 June 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	-	8,213
30 June 2024 (unaudited)	**53**	**140,895**

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.

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

	30 June 2024 (unaudited)		31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair Value
Financial assets				
Amounts due from credit institutions	146,054	152,174	171,754	177,504
Loans to customers	9,897,737	10,001,657	9,284,872	9,360,564
Debt securities at amortised cost, net of allowance for expected credit losses	750,075	707,928	725,343	665,491
Financial liabilities				
Amounts due to customers	11,615,902	11,382,057	10,929,504	10,885,820
Amounts due to credit institutions	1,012,134	1,055,771	778,311	816,092
Debt securities issued	657,236	649,754	653,393	642,695

	30 June 2024 (unaudited)		
	Level 2	Level 3	Total
Financial assets			
Amounts due from credit institutions	152,174	-	152,174
Loans to customers	-	10,001,657	10,001,657
Debt securities at amortised cost, net of allowance for expected credit losses	507,940	199,988	707,928
Financial liabilities			
Amounts due to customers	11,382,057	-	11,382,057
Amounts due to credit institutions	1,055,771	-	1,055,771
Debt securities issued	649,754	-	649,754

	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.

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 30 June 2024 and 31 December 2023 with related parties:

	30 June 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	12,229	10,433,521	12,025	9,774,798
- *entities with joint control or significant influence over the entity*	11,940		11,706	
- *key management personnel of the entity or its parent*	282		311	
- *other related parties*	7		8	
Allowance for expected credit losses	(18)	(535,784)	(48)	(489,926)
- *entities with joint control or significant influence over the entity*	(15)		(44)	
- *key management personnel of the entity and its parent*	(3)		(3)	
- *other related parties*	-		(1)	
Other assets	52,821	173,467	51,464	173,662
- *investments in associates*	52,821		51,464	
Amounts due to customers	159,258	11,615,902	178,669	10,929,504
- *the parent*	98,184		110,838	
- *entities with joint control or significant influence over the entity*	55,293		46,305	
- *key management personnel of the entity or its parent*	2,116		11,397	
- *other related parties*	3,664		10,129	
Debt securities issued	201,073	657,236	227,351	653,393
- *the parent*	200,126		223,473	
- *key management personnel of the entity or its parent*	947		3,878	

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 six months ended 30 June 2024 and 2023:

	Six months ended 30 June 2024 (unaudited)		Six months ended 30 June 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	661	988,226	1,479	762,458
- entities with joint control or significant influence over the entity	650		1,463	
- key management personnel of the entity or its parent	11		16	
Interest expense	(5,691)	(500,745)	(3,664)	(393,555)
- the parent	(4,248)		(1,625)	
- entities with joint control or significant influence over the entity	(1,183)		(1,632)	
- key management personnel of the entity or its parent	(82)		(91)	
- other related parties	(178)		(316)	
Share in profit of associate	8,318	8,318	7,155	7,155
Operating expenses	(2,000)	(115,904)	(2,000)	(99,582)
- entities with joint control or significant influence over the entity	(2,000)		(2,000)	

	Six months ended 30 June 2024 (unaudited)		Six months ended 30 June 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:	(2,533)	(68,403)	(2,012)	(60,646)
- short-term employee benefits	(2,533)		(2,012)	

34. Subsequent events

On 4 June 2024, the Group issued bonds listed on KASE for a total amount of KZT 290 billion with a floating interest rate, of which KZT 39 billion was placed on 25 July 2024 with a coupon rate of 12.79% per annum for the first coupon period.