



JSC HALYK BANK

Interim condensed consolidated
financial information (unaudited)
for the nine months ended 30 September 2024

Table of contents

	Page
STATEMENT OF MANAGEMENT’S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)	1
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION	2
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED):	
Interim condensed consolidated statement of financial position (unaudited)	3
Interim condensed consolidated statement of profit or loss (unaudited)	4
Interim condensed consolidated statement of other comprehensive income (unaudited)	5
Interim condensed consolidated statement of changes in equity (unaudited)	6-7
Interim condensed consolidated statement of cash flows (unaudited)	8-9
Selected explanatory notes to the interim condensed consolidated financial information (unaudited)	10-76

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

On behalf of the Management Board:




Umut B. Shayakhmetova
Chairperson of the Board
15 November 2024
Almaty, Kazakhstan




Dana S. Talzhanova
Chief Accountant
15 November 2024
Almaty, Kazakhstan

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To the Shareholders and Board of Directors of JSC Halyk Bank

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of JSC Halyk Bank and its subsidiaries (the "Group") as at 30 September 2024 and the related interim condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the nine 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 November 2024

Almaty, Republic of Kazakhstan

**Interim Condensed Consolidated Statement of Financial Position
as at 30 September 2024 (unaudited)
(millions of Kazakhstani Tenge)**

	Notes	30 September 2024 (unaudited)	31 December 2023
ASSETS			
Cash and cash equivalents	5	1,958,220	1,377,315
Obligatory reserves		290,135	244,866
Financial assets at fair value through profit or loss	6	764,367	589,362
Amounts due from credit institutions	7	144,704	171,754
Financial assets at fair value through other comprehensive income	8	3,035,517	2,425,902
Debt securities at amortized cost, net of allowance for expected credit losses	9	524,451	725,343
Loans to customers	10, 32	10,327,689	9,284,872
Investment property		46,255	47,326
Commercial property		67,243	74,882
Current income tax assets		1,953	7,956
Deferred income tax assets		310	351
Property and equipment and intangible assets		248,495	226,170
Insurance contract assets	12	16,593	10,289
Reinsurance contract assets		31,363	22,776
Other assets	13, 32	181,333	173,662
Total assets before assets classified as held for sale		17,638,628	15,382,826
Assets classified as held for sale	11	11,480	111,542
TOTAL ASSETS		17,650,108	15,494,368
LIABILITIES AND EQUITY			
LIABILITIES			
Amounts due to customers	14, 32	11,974,486	10,929,504
Amounts due to credit institutions	15	1,203,263	778,311
Financial liabilities at fair value through profit or loss	6	3,994	4,202
Debt securities issued	16, 32	818,756	653,393
Current income tax liability		18,709	946
Deferred tax liability		48,240	59,799
Provisions	20	9,752	11,695
Insurance contract liabilities	12	396,227	273,065
Reinsurance contract liabilities		5,973	5,321
Other liabilities	18	291,432	242,756
Total liabilities before liabilities directly attributable to assets held for sale		14,770,832	12,958,992
Liabilities directly attributable to assets held for sale	11	-	58,422
Total liabilities		14,770,832	13,017,414
EQUITY			
Share capital	19	209,027	209,027
Share premium reserve		8,766	8,667
Treasury shares	19	(259,417)	(258,514)
Retained earnings and other reserves		2,920,888	2,517,764
Total equity attributable to owners of the Group		2,879,264	2,476,944
Non-controlling interest	12	12	10
Total equity		2,879,276	2,476,954
TOTAL LIABILITIES AND EQUITY		17,650,108	15,494,368

On behalf of the Management Board:

Umut B. Shayakhmetova
Chairperson of the Board

15 November 2024
Almaty, Kazakhstan

Dana S. Talzhanova
Chief Accountant

15 November 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 Nine Months ended 30 September 2024 (unaudited)

(millions of Kazakhstani Tenge, except for earnings per share which is in Tenge)

Notes	Three months ended 30 September 2024 (unaudited)	Three months ended 30 September 2023 (unaudited) (restated)*	Nine months ended 30 September 2024 (unaudited)	Nine months ended 30 September 2023 (unaudited) (restated)*
Interest income calculated using the effective interest method	21, 32	545,142	413,421	1,533,368
Other interest income	21	14,710	12,401	38,492
Interest expense	21, 32	(267,600)	(207,395)	(768,345)
NET INTEREST INCOME BEFORE CREDIT LOSS EXPENSE	21	292,252	218,427	803,515
Expected credit loss expense	5, 7, 9, 10	(29,941)	(39,739)	(98,991)
NET INTEREST INCOME		262,311	178,688	704,524
Fee and commission income	22	53,838	51,838	153,568
Fee and commission expense	22	(27,996)	(24,117)	(76,273)
Fees and commissions, net		25,842	27,721	77,295
Net gain on financial assets and liabilities at fair value through profit or loss	23	5,723	14,020	55,809
Net realised gain/(loss) from financial assets at fair value through other comprehensive income		380	(947)	2,112
Net foreign exchange gain	24	52,883	29,785	91,114
Insurance revenue		68,594	25,779	197,533
Share in profit of associate		3,828	3,634	12,146
Income on non-banking activities	26	1,084	6,283	16,515
Other (expense)/income	14	9,274	(1,142)	(56,396)
OTHER NON-INTEREST INCOME		141,766	77,412	318,833
Operating expenses	25	(64,841)	(54,504)	(180,745)
(Loss from)/reversal of impairment of non-financial assets		-	(66)	46
(Provision)/recovery of other credit loss expense	20	(1,240)	48	2,063
Insurance service expense		(47,256)	(34,452)	(142,183)
Net reinsurance (expense)/income		(9,864)	6,423	(29,074)
NON-INTEREST EXPENSES		(123,201)	(82,551)	(349,893)
PROFIT FOR THE YEAR BEFORE TAX		306,718	201,270	750,759
Income tax expense	17	(46,996)	(32,306)	(111,944)
NET INCOME		259,722	168,964	638,815
Attributable to:				
Non-controlling interest		2	-	2
Common shareholders		259,720	168,964	638,813
		259,722	168,964	638,815
EARNINGS PER SHARE (in Kazakhstani Tenge)				
Basic and diluted earnings per share	27	23.82	15.50	58.59

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

On behalf of the Management Board:
Urnut B. Shayakhmetova
Chairperson of the Board
15 November 2024
Almaty, Kazakhstan

Dana S. Talzhanova
Chief Accountant
15 November 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 Nine Months ended 30 September 2024 (unaudited)
(millions of Kazakhstani Tenge)**

	Three months ended 30 September 2024 (unaudited)	Three months ended 30 September 2023 (unaudited) (restated)*	Nine months ended 30 September 2024 (unaudited)	Nine months ended 30 September 2023 (unaudited) (restated)*
Net income	259,722	168,964	638,815	539,779
Other comprehensive income:				
<i>Items that will not be subsequently reclassified to profit or loss:</i>				
(Loss)/gain resulting on revaluation of property and equipment (net of tax – KZT null million)	3	(9)	25	(12)
Loss on revaluation of equity financial assets measured at fair value through other comprehensive income (net of tax – KZT null million)	(154)	216	(213)	64
<i>Items that may be subsequently reclassified to profit or loss:</i>				
(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)	41,969	(10,818)	40,551	(4,690)
Reclassification adjustment relating to financial assets at fair value through other comprehensive income disposed of in the period (net of tax – KZT null million)	(380)	947	(2,112)	2,374
Share of other comprehensive (expense)/income of associate	485	(240)	300	379
Share of other comprehensive income of associate from revaluation of property and equipment	-	8	-	22
Foreign exchange differences on translation of foreign operation	2,010	1,057	1,302	(2,532)
Other comprehensive (expense)/income for the period	43,933	(8,839)	39,853	(4,395)
Total comprehensive income for the period	303,655	160,125	678,668	535,384
Attributable to:				
Non-controlling interest	2	-	2	1
Common shareholders	303,653	160,125	678,666	535,383
	303,655	160,125	678,668	535,384

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

On behalf of the Management Board:

Umut B. Shayakhmetova
Chairperson of the Board

15 November 2024
Almaty, Kazakhstan

Dana S. Talzhanova
Chief Accountant

15 November 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 Nine Months ended 30 September 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	(258,514)	3,459	(25,299)	41,125	2,498,479	2,476,944	10	2,476,954
Net income	-	-	-	-	-	-	638,813	638,813	2	638,815
Other comprehensive income/(loss)	-	-	-	1,302	38,526	25	-	39,853	-	39,853
Total comprehensive income/(loss)	-	-	-	1,302	38,526	25	638,813	678,666	2	678,668
Treasury shares purchased (Note 19)	-	(96)	(2,063)	-	-	-	-	(2,159)	-	(2,159)
Treasury shares sold (Note 19)	-	195	1,160	-	-	-	-	1,355	-	1,355
Dividends - common shares	-	-	-	-	-	-	(277,282)	(277,282)	-	(277,282)
Release of property and equipment revaluation reserve on depreciation and disposal of previously revalued assets	-	-	-	-	-	(695)	695	-	-	-
Disposal of subsidiaries	-	-	-	-	-	(796)	2,536	1,740	-	1,740
30 September 2024 (unaudited)	209,027	8,766	(259,417)	4,761	13,227	39,659	2,863,241	2,879,264	12	2,879,276

*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 Nine months ended 30 September 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	2,079,373	2,012,233	9	2,012,242
Net income	-	-	-	-	-	-	539,778	539,778	1	539,779
Other comprehensive (loss)/income	-	-	-	(2,532)	(1,873)	10	-	(4,395)	-	(4,395)
Total comprehensive (loss)/income	-	-	-	(2,532)	(1,873)	10	539,778	535,383	1	535,384
Treasury shares purchased	-	-	(1,372)	-	-	-	-	(1,372)	-	(1,372)
Treasury shares sold	-	699	3,425	-	-	-	-	4,124	-	4,124
Dividends - common shares	-	-	-	-	-	-	(276,524)	(276,524)	-	(276,524)
Release of property and equipment revaluation reserve on depreciation and disposal of previously revalued assets	-	-	-	-	-	(1,647)	1,647	-	-	-
30 September 2023 (unaudited)	209,027	8,665	(258,482)	9,210	(80,522)	41,672	2,344,274	2,273,844	10	2,273,854

* 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:

Umut B. Shayakhmetova
Chairperson of the Board

15 November 2024
Almaty, Kazakhstan



Dana S. Talzhanova
Chief Accountant

15 November 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 Nine months ended 30 September 2024 (unaudited)
(millions of Kazakhstani Tenge)**

	Nine months ended 30 September 2024 (unaudited)	Nine months ended 30 September 2023 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Interest received from financial assets at fair value through profit or loss	28,988	19,403
Interest received from cash equivalents and amounts due from credit institutions	113,162	35,802
Interest received on financial assets at fair value through other comprehensive income	134,592	92,197
Interest received on debt securities at amortized cost, net of allowance for expected credit losses	52,386	76,283
Interest received from loans to customers	1,164,400	961,242
Interest paid on due to customers	(685,545)	(516,205)
Interest paid on due to credit institutions	(27,668)	(33,720)
Interest paid on debt securities issued	(20,722)	(15,003)
Fee and commission received	150,810	149,546
Fee and commission paid	(74,293)	(72,914)
Cash received from insurance activities, net	88,535	23,601
Ceded reinsurance share paid	(29,074)	(20,173)
Receipts from financial derivatives	28,968	21,890
(Other expense paid)/other income received	(39,881)	34,848
Operating expenses paid	(148,853)	(130,490)
Cash flows from operating activities before changes in net operating assets	735,805	626,307
Changes in operating assets and liabilities:		
(Increase)/decrease in operating assets:		
Obligatory reserves	(45,269)	26,446
Financial assets at fair value through profit or loss	(146,856)	(103,477)
Amounts due from credit institutions	48,383	(3,712)
Loans to customers	(996,884)	(807,483)
Assets classified as held for sale	1,578	10,030
Insurance contract assets	5,639	17,236
Other assets	26,863	(16,897)
Increase/(decrease) in operating liabilities:		
Amounts due to customers	992,467	(588,055)
Amounts due to credit institutions	379,558	10,701
Financial liabilities at fair value through profit or loss	(208)	(5,879)
Insurance contract liabilities	70,099	41,252
Other liabilities	78,557	38,474
Net cash inflow/(outflow) from operating activities before income tax	1,149,732	(755,057)
Income tax paid	(99,696)	(91,210)
Net cash inflow/(outflow) from operating activities	1,050,036	(846,267)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Disposal of subsidiary	(33,559)	-
Purchase and prepayment for property and equipment and intangible assets	(44,138)	(29,409)
Proceeds on sale of property and equipment	76	73
Proceeds on sale of investment property	802	5,000
Proceeds on sale of commercial property	10,687	2,107
Proceeds on sale of financial assets at fair value through other comprehensive income	230,534	388,023
Purchase of financial assets at fair value through other comprehensive income	(663,478)	(908,625)
Purchase of debt securities at amortized cost, net of allowance for expected credit losses	(7,031)	(70,333)
Proceeds on sale and maturity of debt securities at amortized cost, net of allowance for expected credit losses	205,462	343,961
Capital expenditures on commercial property	(47)	(1,774)
Net cash outflow from investing activities	(300,692)	(270,977)

Interim Condensed Consolidated Statement of Cash Flows
for the Nine Months ended 30 September 2024 (unaudited) (continued)
(millions of Kazakhstani Tenge, except for earnings per share which is in Tenge)

	Notes	Nine months ended 30 September 2024 (unaudited)	Nine months ended 30 September 2023 (unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds on sale of treasury shares		1,355	4,123
Purchase of treasury shares		(2,159)	(1,372)
Payment of dividends – common shares		(277,282)	(276,524)
Redemption and repayment of debt securities issued	16	166,136	358,753
Proceeds from issue of debt securities issued	16	(33,897)	(173,659)
Repayment of the lease liabilities		(2,461)	(2,273)
Net cash inflow/(outflow) from financing activities		(148,308)	(90,952)
Effect of changes in foreign exchange rates on cash and cash equivalents		(20,131)	(43,655)
Net change in cash and cash equivalents		580,905	(1,251,851)
CASH AND CASH EQUIVALENTS, beginning of the period	5	1,377,315	2,028,831
CASH AND CASH EQUIVALENTS, end of the period	5	1,958,220	776,980

On behalf of the Management Board

Umut B. Shayakhmetova
 Chairperson of the Board

15 November 2024
 Almaty, Kazakhstan



Dana Talzhanova
 Chief Accountant

15 November 2024
 Almaty, Kazakhstan



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

**Selected Explanatory Notes to the Interim Condensed
Consolidated Financial Information
for the Nine Months ended 30 September 2024 (unaudited)
(millions of Kazakhstani Tenge)**

1. Principal activities

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

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

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

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

As at 30 September 2024, the Bank operated through its head office in Almaty and its 25 regional branches, 119 sub-regional offices and 419 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 September 2024, the number of the Group’s employees was 16,481 (31 December 2023 – 16,833).

The interim condensed consolidated financial information of the Group for the nine months ended 30 September 2024 was authorized for issue by the Management Board on 15 November 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.

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

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 third quarter of 2024, the average price of Brent oil was around 78.71 USD per barrel (83 USD per barrel during 2023). For the period from January to September 2024, the economy of Kazakhstan increased by 5.3%. In September 2024, the annual inflation accelerated to 8.3%.

The Committee on Monetary Policy of the National Bank of the Republic of Kazakhstan (“NBRK”) in July 2024 decided to reduce the base rate to the level of 14.25% per annum with the corridor +/- 1 pp. Against the background of the inflation in the United States, which is steadily decreasing since April 2024, the Fed decided to reduce the rate by 50 B.P. at once, and by the end of the year a decrease by another 50 B.P. Oil prices continued to decrease in the 3rd quarter against the background of the decreasing demand of China and OPEC+ plans to increase the volume of oil production. At the same time, the geopolitical situation in the Middle East continues to cause short-term bursts of prices in the oil market. Kazakhstan adheres to the inflationary targeting regime and a freely floating exchange rate, and due to a significant degree of integration into the world economy, the cycles of monetary policy in developed countries and the dynamics of world prices affect the macroeconomic indicators of the Republic of Kazakhstan. Inflation in Kazakhstan decreased to the levels of 2021, but the rate of slowdown decreased against the background of the growth of tariffs for regulated services, prices in a number of countries-trade partners of the Republic of Kazakhstan, strengthening fiscal stimulation and the volatility of inflation expectations. In this regard, moderately strict monetary conditions are preserved in the country.

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 September 2024 and 31 December 2023, the Group’s shares were represented by common shares only.

As at 30 September 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 September 2024 (unaudited)		31 December 2023	
	Total shares (Common shares)	Stake in total shares in circulation	Total shares (Common shares)	Stake in total shares in circulation
JSC HG Almex	7,583,538,228	69.6%	7,583,538,228	69.6%
GDR holders	3,094,445,520	28.4%	3,109,586,880	28.5%
Other	221,218,858	2.0%	209,046,483	1.9%
Total shares in circulation (on consolidated basis)	10,899,202,606	100%	10,902,171,591	100%

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

2. Basis of presentation

Accounting basis

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

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

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

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

Consolidated subsidiaries

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 nine months ended 30 September 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 policies, presentation and methods of computation have been followed in this interim condensed consolidated financial information as were applied in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2023.

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

Adoption of new and revised Standards

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

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

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

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

New and revised IFRS Standards in issue but not yet effective

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

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

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

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.

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

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.

	As previously reported	Adjustment	As restated
	Nine months ended	Nine months ended	Nine months ended
	30 September 2023	30 September 2023	30 September 2023
Consolidated statement of profit and loss			
Net gain on financial assets and liabilities at fair value through profit or loss	40,582	3,108	43,690
Income tax expense	(93,927)	(622)	(94,549)
Net profit	537,293	2,486	539,779

The consolidated statement of profit or loss for the nine months ended 30 September 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 September 2024 (unaudited)	31 December 2023
Short-term deposits with NBRK	1,099,823	350,310
Correspondent accounts with Organization for Economic Co-operation and Development countries (the "OECD") based banks	331,637	360,599
Cash on hand	244,422	314,055
Short-term deposits with Kazakhstan banks (incl. loans under reverse repurchase agreements)	126,957	39,052
Correspondent accounts with Kazakhstan banks	51,317	33,595
Correspondent accounts with NBRK	47,492	176,766
Correspondent accounts with non-OECD based banks	23,732	40,418
Overnight deposits with non-OECD based banks	17,612	5,171
Short-term deposits with non-OECD based banks	15,228	57,349
	1,958,220	1,377,315

As at 30 September 2024 and 31 December 2023, allowance for expected credit losses on short-term deposits included in cash and cash equivalents comprised KZT 30 million and KZT 36 million, respectively

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

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

	Three months ended 30 September 2024 (unaudited)	Three months ended 30 September 2023 (unaudited)	Nine months ended 30 September 2024 (unaudited)	Nine months ended 30 September 2023 (unaudited)
	Stage 1	Stage 1	Stage 1	Stage 1
At the beginning of the period	(43)	(23)	(36)	(21)
Changes in risk parameters	11	(11)	12	(15)
Foreign exchange differences and other movements	2	12	(6)	14
At the end of the period	(30)	(22)	(30)	(22)

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

	30 September 2024 (unaudited)		31 December 2023	
	KZT	Foreign currencies	KZT	Foreign currencies
Short-term deposits with NBRK	13.5%-14.5%	-	14.8%-15.8%	-
Short-term deposits with Kazakhstan banks (incl. loans under reverse repurchase agreements)	13.0%-16.3%	13.0%	14.8%-17.8%	3.6%-7.1%
Overnight deposits with non-OECD based banks	-	8.0%-17.0%	-	12.0%
Short-term deposits with non-OECD based banks	-	8.3%-12.0%	-	5.7%-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 September 2024 and 31 December 2023 are as follows:

	30 September 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	35,297	35,361	17,585	17,583
Treasury bills of the Ministry of Finance of the Republic of Uzbekistan	7,764	7,764	6,094	6,096
Notes of NBRK	3,183	3,183	12	12
Bonds of Kazakhstan banks	2,752	2,784	1,457	1,371
Bonds of international financial institutions	651	652	356	352
Corporate bonds	202	202	10,766	10,788
Eurobonds of the foreign countries	118	118	2,113	2,092
Bonds of JSC Development Bank of Kazakhstan	-	-	669	657
	49,967	50,063	39,052	38,951

As at 30 September 2024 and 31 December 2023, maturities of loans under reverse repurchase agreements were less than one month.

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

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

Financial assets at fair value through profit or loss comprise:

	30 September 2024 (unaudited)	31 December 2023
Financial assets held for trading:		
Corporate bonds	204,480	186,343
Equity securities of foreign organizations	185,524	149,224
Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan	150,391	51,137
Bonds of foreign organizations	63,813	34,668
Bonds of Kazakhstan banks	43,310	33,676
Equity securities of Kazakhstan corporations	39,139	12,723
Bonds of JSC Development Bank of Kazakhstan	25,057	35,546
Eurobonds of the foreign countries	23,719	32,650
Derivative financial instruments	21,977	23,836
Bonds of foreign financial organizations	4,623	23,716
NBRK notes	2,334	5,843
Total financial assets at fair value through profit or loss	764,367	589,362

Financial liabilities at fair value through profit or loss comprise:

	30 September 2024 (unaudited)	31 December 2023
Financial liabilities held for trading:		
Derivative financial instruments	3,994	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 September 2024 (unaudited)	31 December 2023
Corporate bonds	12.6%	12.7%
Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan	13.1%	12.8%
Bonds of foreign organizations	6.6%	6.2%
Bonds of Kazakhstan banks	15.8%	13.6%
Bonds of JSC Development Bank of Kazakhstan	13.5%	14.7%
Eurobonds of the foreign countries	5.2%	4.8%
Bonds of foreign financial organizations	12.3%	12.0%
NBRK notes	14.2%	15.4%

As at 30 September 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 18,872 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 September 2024 were settled before 17 October 2024 (31 December 2023 – 18 January 2024).

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

Derivative financial instruments comprise:

	30 September 2024 (unaudited)			31 December 2023		
	Notional amount	Fair value		Notional amount	Fair value	
Asset		Liability	Asset		Liability	
Foreign currency contracts						
Spots	442,120	1,058	571	78,676	326	173
Swaps	828,157	20,742	3,358	789,753	23,487	4,029
Forwards	20,918	177	65	4,736	23	-
		21,977	3,994		23,836	4,202

As at 30 September 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 September 2024 (unaudited)	31 December 2023
Deposit pledged as collateral	59,297	51,367
Term deposits and restricted accounts	47,771	78,774
Loans to credit institutions	37,778	42,013
	144,846	172,154
Less - Allowance for expected credit losses	(142)	(400)
Total amounts due from credit institutions	144,704	171,754

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

	30 September 2024 (unaudited)		31 December 2023	
	Interest rate, %	Maturity, year	Interest rate, %	Maturity, year
Deposit pledged as collateral	1.8%-4.8%	2024-2046	1.8%-5.4%	2024-2046
Term deposits and restricted accounts	7.0%-20.0%	2024-2029	1.0%-14.3%	2024
Loans to credit institutions	3.0%-8.5%	2024-2028	3.0%-9.1%	2024-2027

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

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

	Three months ended 30 September 2024 (unaudited)			Nine months ended 30 September 2024 (unaudited)		
	Stage 1	Total	Stage 1	Stage 2	Total	
At the beginning of the period	(292)	(292)	(330)	(70)	(400)	
Changes in risk parameters	151	151	232	69	301	
Foreign exchange differences and other movements	(1)	(1)	(44)	1	(43)	
At the end of the period	(142)	(142)	(142)	-	(142)	

	Three months ended 30 September 2023 (unaudited)			Nine months ended 30 September 2023 (unaudited)		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
At the beginning of the period	(289)	(14)	(303)	(201)	(144)	(345)
Changes in risk parameters	163	(54)	109	86	76	162
Foreign exchange differences and other movements	(53)	-	(53)	(64)	-	(64)
At the end of the period	(179)	(68)	(247)	(179)	(68)	(247)

8. Financial assets at fair value through other comprehensive income

Debt securities comprise:

	30 September 2024 (unaudited)	31 December 2023
Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan	2,121,736	1,547,296
Corporate bonds	256,894	211,958
Bonds of foreign organisations	256,524	206,347
Bonds of JSC Development Bank of Kazakhstan	173,852	147,645
Eurobonds of the foreign countries	114,905	188,038
Bonds of foreign financial organisations	63,249	89,887
Bonds of Kazakhstan banks	19,490	10,465
Local municipal bonds	10,815	10,756
Treasury bonds of the Ministry of Finance of the Republic of Uzbekistan	7,406	3,880
	3,024,871	2,416,272

Equity securities comprise:

	30 September 2024 (unaudited)	31 December 2023
Equity securities of Kazakhstan corporations	10,646	9,630
	10,646	9,630
Total financial assets at fair value through other comprehensive income	3,035,517	2,425,902

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

As at 30 September 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 527,300 million and KZT 188,100 million, respectively, which were pledged under repurchase agreements with other banks (Note 15). All repurchase agreements as at 30 September 2024 matured before 27 October 2024 (as at 31 December 2023 before 10 January 2024), and agreements with longer maturities will mature before 17 November 2025.

As at 30 September 2024 and 31 December 2023, the allowance for expected credit losses on financial assets at fair value through other comprehensive income comprised KZT 2,663 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 September 2024 (unaudited)		31 December 2023	
	Interest rate, %	Maturity, year	Interest rate, %	Maturity, year
Bonds of the Ministry of Finance of the Republic of Kazakhstan	6.8%	2024-2045	5.7%	2024-2045
Corporate bonds	9.3%	2024-2047	10.2%	2024-2047
Eurobonds of the foreign countries	4.7%	2024-2029	3.8%	2024-2027
Bonds of JSC Development Bank of Kazakhstan	6.5%	2024-2032	6.3%	2024-2032
Bonds of foreign organizations	4.0%	2024-2028	3.8%	2024-2025
Bonds of foreign financial organisations	8.9%	2024-2030	9.0%	2024-2030
Bonds of Kazakhstan banks	9.4%	2026-2029	11.9%	2024-2026
Local municipal bonds	10.8%	2026	10.8%	2026
Bonds of the Ministry of Finance of the Republic of Uzbekistan	7.1%	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 September 2024 (unaudited)	31 December 2023
Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan	510,371	521,665
Treasury bonds of the Ministry of Finance of the Republic of Uzbekistan	7,628	7,421
Bonds of foreign organizations	4,347	5,332
Notes of National Bank of Georgia	2,105	2,959
Corporate bonds	-	187,966
Total debt securities at amortized cost, net of allowances for expected credit losses	524,451	725,343

As at 30 September 2024 and 31 December 2023, for debt securities measured at amortized cost, the allowance for expected credit losses was KZT 553 million and KZT 656 million, respectively.

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

As at 30 September 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 163,295 million and KZT 269,231 million, respectively, pledged under repurchase agreements with the other banks (see Note 15). All repurchase agreements as at 30 September 2024 and 31 December 2023 matured before 7 October 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 September 2024 (unaudited)		31 December 2023	
	Interest rate, %	Maturity, year	Interest rate, %	Maturity, year
Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan	9.0%	2026-2027	9.1%	2026-2027
Treasury bonds of the Ministry of Finance of the Republic of Uzbekistan	15.8%	2024-2025	16.4%	2024
Bonds of foreign organizations	4.9%	2025	3.4%	2025
Notes of National Bank of Georgia	9.7%	2024-2028	9.9%	2024-2028
Corporate bonds	-	-	3.3%	2024

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

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 September 2024 (unaudited)		Three months ended 30 September 2023 (unaudited)		Nine months ended 30 September 2024 (unaudited)		Nine months ended 30 September 2023 (unaudited)		
	Stage 1	Total	Stage 1	Total	Stage 1	Total	Stage 1	Stage 3	Total
At the beginning of the period	(3,343)	(3,343)	(1,715)	(1,715)	(2,862)	(2,862)	(1,398)	(170)	(1,568)
Changes in risk parameters*	75	75	(7)	(7)	233	233	(154)	-	(154)
New originations or purchases of financial assets*	(20)	(20)	(162)	(162)	(755)	(755)	(380)	-	(380)
Derecognition of financial assets*	6	6	76	76	104	104	85	-	85
Disposal	-	-	-	-	-	-	-	170	170
Foreign exchange differences and other movements	66	66	(25)	(25)	64	64	14	-	14
At the end of the period	(3,216)	(3,216)	(1,833)	(1,833)	(3,216)	(3,216)	(1,833)	-	(1,833)

* 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".

JSC Halyk Bank

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

10. Loans to customers

Loans to customers comprise:

	30 September 2024 (unaudited)	31 December 2023
Originated loans to customers	10,860,182	9,752,598
Overdrafts	24,250	22,200
	10,884,432	9,774,798
Stage 1	10,058,320	8,992,052
Stage 2	70,167	51,860
Stage 3	735,295	700,518
Purchased or originated credit-impaired assets ("POCI")	20,650	30,368
Total	10,884,432	9,774,798
Less – Allowance for expected credit losses	(556,743)	(489,926)
Loans to customers	10,327,689	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 nine months ended 30 September 2024, average interest rate on loans was 17.0% (for the nine months ended 30 September 2023 – 15.7%).

As at 30 September 2024, the Group's loan concentration to the ten largest borrowers was KZT 1,769,112 million, which comprised 15% of the Group's total gross loan portfolio (as at 31 December 2023 – KZT 1,745,993 million, 18%, respectively) and 61% of the Group's total equity (as at 31 December 2023 – 73%).

As at 30 September 2024, the allowance for expected credit losses created against these loans was KZT 6,083 million (as at 31 December 2023 – KZT 17,489 million).

JSC Halyk Bank

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

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

	30 September 2024 (unaudited)	%	31 December 2023	%
Retail loans:				
- consumer loans	3,416,778	31%	2,720,125	28%
- mortgage loans	472,273	4%	392,280	4%
	3,889,051		3,112,405	
Services	1,059,610	10%	940,224	10%
Wholesale trade	809,459	7%	828,977	8%
Retail trade	622,010	6%	635,295	6%
Energy	565,757	5%	509,210	5%
Metallurgy	548,502	5%	356,780	4%
Financial services	350,963	3%	367,719	4%
Construction	347,916	3%	274,556	3%
Agriculture	324,150	3%	298,939	3%
Real estate	313,439	3%	333,018	3%
Chemical industry	310,072	3%	326,310	3%
Oil and gas	300,113	3%	360,489	4%
Food industry	293,644	3%	302,575	3%
Transportation	286,091	2%	330,840	3%
Machinery	269,239	2%	271,588	3%
Mining	219,335	2%	125,184	1%
Communication	127,952	1%	155,574	2%
Hotel industry	74,579	1%	72,136	1%
Light industry	53,359	1%	64,007	1%
Other	119,191	1%	108,972	1%
	10,884,432	100%	9,774,798	100%

Restructured and modified loans to customers

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

As at 30 September 2024, accrued but not recorded interest on loans comprised KZT 251,516 million (31 December 2023 – KZT 213,240 million).

During the nine months ended 30 September 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 nine months ended 30 September 2024 and the year ended 31 December 2023, such assets of KZT 4,056 million and KZT 22,910 million, respectively, are included in assets classified as held for sale.

As at 30 September 2024 and 31 December 2023, loans to customers included loans of KZT 299,169 million and KZT 328,102 million, respectively, which terms were renegotiated. Otherwise, these loans would be past due.

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

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

	Nine months ended 30 September 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	58,008	(20,970)	(37,038)	-	-
Transfer to Stage 2	(101,456)	106,497	(5,041)	-	-
Transfer to Stage 3	(170,040)	(58,598)	228,638	-	-
New originations or purchases of financial assets	7,007,413	-	-	-	7,007,413
Assets derecognised or repaid*/**	(3,851,244)	(5,458)	(126,217)	(17,743)	(4,000,662)
Write-offs	-	-	(43,285)	(5,211)	(48,496)
Changes in the gross value of financial assets*	(1,876,413)	(3,164)	17,720	13,236	(1,848,621)
At the end of the period	10,058,320	70,167	735,295	20,650	10,884,432

Corporate Business	Nine months ended 30 September 2024 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	4,620,873	13,307	385,026	24,368	5,043,574
Transfer to Stage 1	5,637	(796)	(4,841)	-	-
Transfer to Stage 2	(11,080)	11,080	-	-	-
Transfer to Stage 3	(30,325)	(942)	31,267	-	-
New originations or purchases of financial assets	3,572,304	-	-	-	3,572,304
Assets derecognised or repaid*/**	(2,465,320)	-	(45,790)	(17,328)	(2,528,438)
Write-offs	-	-	-	(5,147)	(5,147)
Changes in the gross value of financial assets*	(709,922)	(1,637)	(16,560)	13,593	(714,526)
At the end of the period	4,982,167	21,012	349,102	15,486	5,367,767

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

Retail Business	Nine months ended 30 September 2024 (unaudited)				
	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	33,672	(14,657)	(19,015)	-	-
Transfer to Stage 2	(64,465)	69,346	(4,881)	-	-
Transfer to Stage 3	(95,356)	(38,046)	133,402	-	-
New originations or purchases of financial assets	2,103,154	-	-	-	2,103,154
Assets derecognised or repaid**	(634,334)	(2,072)	(57,288)	(3)	(693,697)
Write-offs	-	-	(37,659)	-	(37,659)
Changes in the gross value of financial assets*	(625,560)	631	29,938	(115)	(595,106)
At the end of the period	3,608,070	36,168	242,831	2,028	3,889,097

SME Business	Nine months ended 30 September 2024 (unaudited)				
	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	18,699	(5,517)	(13,182)	-	-
Transfer to Stage 2	(25,911)	26,071	(160)	-	-
Transfer to Stage 3	(44,359)	(19,610)	63,969	-	-
New originations or purchases of financial assets	1,331,955	-	-	-	1,331,955
Assets derecognised or repaid**	(751,590)	(3,386)	(23,139)	(412)	(778,527)
Write-offs	-	-	(5,626)	(64)	(5,690)
Changes in the gross value of financial assets*	(540,931)	(2,158)	4,342	(242)	(538,989)
At the end of the period	1,468,083	12,987	143,362	3,136	1,627,568

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

	Nine months ended 30 September 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	54,629	(26,150)	(28,479)	-	-
Transfer to Stage 2	(84,505)	90,250	(5,745)	-	-
Transfer to Stage 3	(224,481)	(94,635)	319,116	-	-
New originations or purchases of financial assets	5,538,345	-	-	-	5,538,345
Assets derecognised or repaid*/**	(2,779,159)	(9,905)	(102,647)	(948)	(2,892,659)
Write-offs	-	-	(35,188)	(204)	(35,392)
Changes in the gross value of financial assets*	(1,755,409)	(11,624)	(60,299)	(989)	(1,828,321)
At the end of the period	8,298,934	54,630	673,545	35,154	9,062,263

	Nine months ended 30 September 2023 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total
Corporate Business					
At the beginning of the period	4,046,565	72,288	302,658	27,969	4,449,480
Transfer to Stage 1	12,811	(1,056)	(11,755)	-	-
Transfer to Stage 2	(13,169)	14,593	(1,424)	-	-
Transfer to Stage 3	(129,716)	(56,765)	186,481	-	-
New originations or purchases of financial assets	2,999,965	-	-	-	2,999,965
Assets derecognised or repaid*/**	(1,763,471)	(3,849)	(39,312)	(723)	(1,807,355)
Write-offs	-	-	(396)	(204)	(600)
Changes in the gross value of financial assets*	(847,409)	(6,498)	(77,053)	1,308	(929,652)
At the end of the period	4,305,576	18,713	359,199	28,350	4,711,838

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

Retail Business	Nine months ended 30 September 2023 (unaudited)				
	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	26,347	(14,354)	(11,993)	-	-
Transfer to Stage 2	(41,535)	45,162	(3,627)	-	-
Transfer to Stage 3	(61,135)	(26,312)	87,447	-	-
New originations or purchases of financial assets	1,441,072	-	-	-	1,441,072
Assets derecognised or repaid*/**	(489,086)	(1,150)	(39,862)	(53)	(530,151)
Write-offs	-	-	(27,928)	-	(27,928)
Changes in the gross value of financial assets*	(479,486)	2,429	19,860	(994)	(458,191)
At the end of the period	2,750,869	21,028	187,556	2,205	2,961,658

SME Business	Nine months ended 30 September 2023 (unaudited)				
	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	15,471	(10,740)	(4,731)	-	-
Transfer to Stage 2	(29,801)	30,495	(694)	-	-
Transfer to Stage 3	(33,630)	(11,558)	45,188	-	-
New originations or purchases of financial assets*	1,097,308	-	-	-	1,097,308
Assets derecognised or repaid*/**	(526,602)	(4,906)	(23,473)	(172)	(555,153)
Write-offs	-	-	(6,864)	-	(6,864)
Changes in the gross value of financial assets*	(428,514)	(7,555)	(3,106)	(1,303)	(440,478)
At the end of the period	1,242,489	14,889	126,790	4,599	1,388,767

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

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

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

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

	Three months ended 30 September 2024 (unaudited)					Nine months ended 30 September 2024 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	(137,292)	(8,495)	(383,934)	(6,063)	(535,784)	(122,149)	(7,362)	(347,655)	(12,760)	(489,926)
Transfer to Stage 1	(4,734)	1,336	3,398	-	-	(16,299)	3,404	12,895	-	-
Transfer to Stage 2	1,792	(3,071)	1,279	-	-	4,354	(7,064)	2,710	-	-
Transfer to Stage 3	4,118	3,783	(7,901)	-	-	9,552	10,236	(19,788)	-	-
Changes in risk parameters*	9,325	(3,318)	(24,087)	(31)	(18,111)	29,445	(9,538)	(94,307)	554	(73,846)
New originations or purchases of financial assets*	(31,227)	-	-	-	(31,227)	(86,890)	-	-	-	(86,890)
Derecognition of financial assets**	13,488	152	2,476	1	16,117	37,958	462	19,241	6,607	64,268
Other (expense)/income related to loans***	(81)	(8)	(2,775)	(156)	(3,020)	(402)	237	(11,215)	(5,835)	(17,215)
Write-offs	-	-	15,596	-	15,596	-	-	43,285	5,211	48,496
Foreign exchange differences and other movements	(393)	(25)	152	(48)	(314)	(573)	(21)	(962)	(74)	(1,630)
At the end of the period	(145,004)	(9,646)	(395,796)	(6,297)	(556,743)	(145,004)	(9,646)	(395,796)	(6,297)	(556,743)

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

Corporate Business	Three months ended 30 September 2024 (unaudited)					Nine months ended 30 September 2024 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	(21,178)	(2,820)	(205,292)	(5,338)	(234,628)	(21,561)	(3,010)	(194,810)	(11,770)	(231,151)
Transfer to Stage 1	-	-	-	-	-	(141)	3	138	-	-
Transfer to Stage 2	9	(9)	-	-	-	73	(274)	201	-	-
Transfer to Stage 3	4	37	(41)	-	-	105	37	(142)	-	-
Changes in risk parameters*	1,307	(79)	(2,782)	170	(1,384)	4,881	169	(19,204)	674	(13,480)
New originations or purchases of financial assets*	(5,704)	-	-	-	(5,704)	(16,217)	-	-	-	(16,217)
Derecognition of financial assets**	3,738	-	913	1	4,652	11,417	-	12,040	6,444	29,901
Other (expense)/income related to loans***	(8)	-	(1,068)	(156)	(1,232)	(116)	201	(5,525)	(5,816)	(11,256)
Write-offs	-	-	-	-	-	-	-	-	5,147	5,147
Foreign exchange differences and other movements	(193)	(10)	228	(62)	(37)	(466)	(7)	(740)	(64)	(1,277)
At the end of the period	(22,025)	(2,881)	(208,042)	(5,385)	(238,333)	(22,025)	(2,881)	(208,042)	(5,385)	(238,333)

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

Retail Business	Three months ended 30 September 2024 (unaudited)					Six months ended 30 September 2024 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	(94,782)	(4,016)	(131,166)	(268)	(230,232)	(81,229)	(3,326)	(116,332)	(169)	(201,056)
Transfer to Stage 1	(3,067)	799	2,268	-	-	(12,939)	2,398	10,541	-	-
Transfer to Stage 2	1,584	(2,843)	1,259	-	-	3,590	(6,036)	2,446	-	-
Transfer to Stage 3	3,654	2,586	(6,240)	-	-	8,281	7,124	(15,405)	-	-
Changes in risk parameters*	6,297	(2,015)	(13,578)	(45)	(9,341)	18,362	(5,768)	(51,904)	(79)	(39,389)
New originations or purchases of financial assets*	(19,777)	-	-	-	(19,777)	(53,489)	-	-	-	(53,489)
Derecognition of financial assets**	6,707	73	904	-	7,684	18,020	201	3,490	-	21,711
Other expense related to loans***	(19)	(8)	(1,243)	-	(1,270)	(48)	(17)	(4,201)	(41)	(4,307)
Write-offs	-	-	13,995	-	13,995	-	-	37,659	-	37,659
Foreign exchange differences and other movements	(88)	(14)	(44)	15	(131)	(39)	(14)	(139)	(9)	(201)
At the end of the period	(99,491)	(5,438)	(133,845)	(298)	(239,072)	(99,491)	(5,438)	(133,845)	(298)	(239,072)

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

SME Business	Three months ended 30 September 2024 (unaudited)					Nine months ended 30 September 2024 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	(21,332)	(1,659)	(47,476)	(457)	(70,924)	(19,359)	(1,026)	(36,513)	(821)	(57,719)
Transfer to Stage 1	(1,667)	537	1,130	-	-	(3,219)	1,003	2,216	-	-
Transfer to Stage 2	199	(219)	20	-	-	691	(754)	63	-	-
Transfer to Stage 3	460	1,160	(1,620)	-	-	1,166	3,075	(4,241)	-	-
Changes in risk parameters*	1,721	(1,224)	(7,727)	(156)	(7,386)	6,202	(3,939)	(23,199)	(41)	(20,977)
New originations or purchases of financial assets*	(5,746)	-	-	-	(5,746)	(17,184)	-	-	-	(17,184)
Derecognition of financial assets**	3,043	79	659	-	3,781	8,521	261	3,711	163	12,656
Other (expense)/income related to loans***	(54)	-	(464)	-	(518)	(238)	53	(1,489)	22	(1,652)
Write-offs	-	-	1,601	-	1,601	-	-	5,626	64	5,690
Foreign exchange differences and other movements	(112)	(1)	(32)	(1)	(146)	(68)	-	(83)	(1)	(152)
SME Business	(23,488)	(1,327)	(53,909)	(614)	(79,338)	(23,488)	(1,327)	(53,909)	(614)	(79,338)

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

	Three months ended 30 September 2023 (unaudited)					Nine months ended 30 September 2023 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	(113,644)	(14,531)	(316,880)	(11,161)	(456,216)	(113,665)	(17,767)	(269,840)	(21,116)	(422,388)
Transfer to Stage 1	(3,163)	836	2,327	-	-	(16,666)	4,156	12,510	-	-
Transfer to Stage 2	974	(1,634)	660	-	-	3,980	(5,931)	1,951	-	-
Transfer to Stage 3	2,350	9,061	(11,411)	-	-	10,234	17,750	(27,984)	-	-
Changes in risk parameters*	7,365	(2,249)	(52,244)	651	(46,477)	24,883	(7,373)	(126,515)	15,230	(93,775)
New originations or purchases of financial assets*	(30,106)	-	-	-	(30,106)	(71,844)	-	-	-	(71,844)
Derecognition of financial assets**	10,481	201	31,781	71	42,534	35,896	762	56,467	268	93,393
Other (expense)/income related to loans***	(401)	-	(5,813)	(580)	(6,794)	478	-	(9,208)	(6,176)	(14,906)
Write-offs	-	-	26,671	-	26,671	-	-	35,188	204	35,392
Foreign exchange differences and other movements	(500)	(103)	184	(582)	(1,001)	60	(16)	2,706	(11)	2,739
At the end of the period	(126,644)	(8,419)	(324,725)	(11,601)	(471,389)	(126,644)	(8,419)	(324,725)	(11,601)	(471,389)

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

Corporate Business	Three months ended 30 September 2023 (unaudited)					Nine months ended 30 September 2023 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	(19,757)	(9,962)	(156,001)	(9,950)	(195,670)	(26,828)	(13,277)	(138,666)	(19,280)	(198,051)
Transfer to Stage 1	-	-	-	-	-	(5,818)	1	5,817	-	-
Transfer to Stage 2	4	(213)	209	-	-	43	(279)	236	-	-
Transfer to Stage 3	80	6,672	(6,752)	-	-	2,211	10,330	(12,541)	-	-
Changes in risk parameters*	(1,243)	30	(8,682)	583	(9,312)	3,889	(531)	(40,171)	14,112	(22,701)
New originations or purchases of financial assets*	(6,220)	-	-	-	(6,220)	(14,874)	-	-	-	(14,874)
Derecognition of financial assets**	2,675	-	3,901	-	6,576	15,531	287	16,177	129	32,124
Other (expense)/income related to loans***	(373)	-	(2,931)	(413)	(3,717)	562	-	(3,643)	(5,505)	(8,586)
Write-offs	-	-	396	-	396	-	-	396	204	600
Foreign exchange differences and other movements	(379)	(1)	229	(562)	(713)	71	(5)	2,764	(2)	2,828
At the end of the period	(25,213)	(3,474)	(169,631)	(10,342)	(208,660)	(25,213)	(3,474)	(169,631)	(10,342)	(208,660)

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

Retail Business	Three months ended 30 September 2023 (unaudited)					Nine months ended 30 September 2023 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	(80,606)	(3,318)	(117,382)	(119)	(201,425)	(74,364)	(3,108)	(93,919)	(125)	(171,516)
Transfer to Stage 1	(2,829)	693	2,136	-	-	(9,011)	2,834	6,177	-	-
Transfer to Stage 2	936	(1,387)	451	-	-	2,837	(4,406)	1,569	-	-
Transfer to Stage 3	2,079	1,912	(3,991)	-	-	6,481	5,937	(12,418)	-	-
Changes in risk parameters*	7,192	(1,581)	(38,185)	34	(32,540)	17,125	(5,059)	(67,034)	101	(54,867)
New originations or purchases of financial assets*	(19,941)	-	-	-	(19,941)	(45,862)	-	-	-	(45,862)
Derecognition of financial assets**	6,259	59	24,493	-	30,811	15,843	180	30,453	1	46,477
Other expense related to loans***	-	-	(925)	(54)	(979)	-	-	(3,017)	(116)	(3,133)
Write-offs	-	-	23,197	-	23,197	-	-	27,928	-	27,928
Foreign exchange differences and other movements	(15)	(11)	(59)	-	(85)	26	(11)	(4)	-	11
At the end of the period	(86,925)	(3,633)	(110,265)	(139)	(200,962)	(86,925)	(3,633)	(110,265)	(139)	(200,962)

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

SME Business	Three months ended 30 September 2023 (unaudited)					Nine months ended 30 September 2023 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the period	(13,281)	(1,251)	(43,497)	(1,092)	(59,121)	(12,473)	(1,382)	(37,255)	(1,711)	(52,821)
Transfer to Stage 1	(334)	143	191	-	-	(1,837)	1,321	516	-	-
Transfer to Stage 2	34	(34)	-	-	-	1,100	(1,246)	146	-	-
Transfer to Stage 3	191	477	(668)	-	-	1,542	1,483	(3,025)	-	-
Changes in risk parameters*	1,416	(698)	(5,377)	34	(4,625)	3,869	(1,783)	(19,310)	1,017	(16,207)
New originations or purchases of financial assets*	(3,945)	-	-	-	(3,945)	(11,108)	-	-	-	(11,108)
Derecognition of financial assets**	1,547	142	3,387	71	5,147	4,522	295	9,837	138	14,792
Other expense related to loans***	(28)	-	(1,957)	(113)	(2,098)	(84)	-	(2,548)	(555)	(3,187)
Write-offs	-	-	3,078	-	3,078	-	-	6,864	-	6,864
Foreign exchange differences and other movements	(106)	(91)	14	(20)	(203)	(37)	-	(54)	(9)	(100)
SME Business	(14,506)	(1,312)	(44,829)	(1,120)	(61,767)	(14,506)	(1,312)	(44,829)	(1,120)	(61,767)

* 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.

JSC Halyk Bank

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

During the nine months ended 30 September 2024 and 2023, the Group wrote off loans in the amount of KZT 48,496 million and KZT 35,392 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 nine months ended 30 September 2024, credit loss expense on loans to customers comprised KZT 96,468 million (30 September 2023 – KZT 72,226 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 September 2024 (unaudited)	31 December 2023
Real estate	8,988	8,671
Land plots	2,455	12,578
Movable property	37	51
Assets held for sale related to OJSC Halyk Bank Kyrgyzstan	-	90,242
Total assets classified as held for sale	11,480	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 nine months ended 30 September 2023 – KZT 1,051 million).

JSC Halyk Bank

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

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	9,884	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	74,431	52,866
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 September 2024 and 31 December 2023 are as follows:

	Level 2	Level 3	Total
30 September 2024 (unaudited)			
Real estate	3,354	5,634	8,988
Land plots	-	2,455	2,455
Movable property	-	37	37
31 December 2023			
Net assets of OJSC Halyk Bank Kyrgyzstan held for sale	-	28,069	28,069
Real estate	2,703	5,968	8,671
Land plots	-	12,578	12,578
Movable property	-	51	51

JSC Halyk Bank

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

12. Insurance contract assets and liabilities

Insurance contract assets and liabilities comprised the following:

	Nine months ended 30 September 2024 (unaudited)				
	Liabilities for the remaining portion of coverage		Liabilities for incurred claims using the premium allocation method		Total
	Excluding loss component	Loss Component	Present value of future cash flows	Risk adjustment for non-financial risk	
Liabilities under insurance contracts at the beginning	199,401	7,451	49,849	16,364	273,065
Assets under insurance contracts at the beginning	10,289	-	-	-	10,289
Total as at 1 January 2024	189,112	7,451	49,849	16,364	262,776
Insurance revenue	(197,533)	-	-	-	(197,533)
Insurance expense:					
Incurring claims and other incurred insurance service expenses	-	-	87,768	145	87,913
Changes attributed to past periods	-	-	(4,920)	1,929	(2,991)
Losses under groups of onerous contracts and restoration of such losses	-	555	-	-	555
Amortization of acquisition cash flows	56,706	-	-	-	56,706
Total expenses for insurance services taken into account in the assessment of liabilities	56,706	555	82,848	2,074	142,183
Result of insurance activities	(140,827)	555	82,848	2,074	(55,350)
Financial expenses or income from insurance contracts issued	22,466	(366)	9,588	(191)	31,497
Expenses/(gain) from the revaluation of foreign currency	2,031	(284)	-	-	1,747
Total amounts recognized in profit or loss	(116,330)	(95)	92,436	1,883	(22,106)
Cash flows for the period:					
Premiums received under insurance contracts issued	279,947	(655)	-	-	279,292
Payments for incurred insurance losses and other expenses for insurance services paid under issued insurance contracts, with the exception of acquisition cash flows	-	-	(84,125)	-	(84,125)
Acquisition cash flows	(56,203)	-	-	-	(56,203)
Total cash flows	223,744	(655)	(84,125)	-	138,964
Change in reserves for the period	107,414	(750)	8,311	1,883	116,858
Liabilities under insurance contracts at the end of the period	309,146	6,985	61,849	18,247	396,227
Assets under insurance contracts at the end of the period	12,904	-	3,689	-	16,593
Total as at 30 September 2024 (unaudited)	296,242	6,985	58,160	18,247	379,634

JSC Halyk Bank

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

	Nine months ended 30 September 2023 (unaudited)				
	Liabilities for the remaining portion of coverage		Liabilities for incurred claims using the premium allocation method		Total
	Excluding loss component	Loss Component	Present value of future cash flows	Risk adjustment for non-financial risk	
Liabilities under insurance contracts at the beginning	175,050	6,878	35,690	5,690	
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	(165,173)	-	-	-	(165,173)
Insurance expense:					
Incurred insurance losses and other incurred costs for insurance services	-	-	64,395	(775)	63,620
Changes attributed to past periods	-	-	14,008	2,751	16,759
Losses under groups of onerous contracts and restoration of such losses	-	6,477	-	-	6,477
Amortization of acquisition cash flows	32,539	-	-	-	32,539
Total expenses for insurance services taken into account in the assessment of liabilities	32,539	6,477	78,403	1,976	119,395
Result of insurance activities	(132,634)	6,477	78,403	1,976	(45,778)
Financial expenses or income from insurance contracts issued	8,717	56	2,358	230	11,361
Expenses from the revaluation of foreign currency	150	369	-	-	519
Total amounts recognized in profit or loss	(123,767)	6,902	80,761	2,206	(33,898)
Other changes	(8)	-	-	-	(8)
Cash flows for the period:					
Premiums received under insurance contracts issued	187,539	-	-	-	187,539
Payments for incurred insurance losses and other expenses for insurance services paid under issued insurance contracts, with the exception of acquisition cash flows	-	-	(73,400)	-	(73,400)
Acquisition cash flows	(37,911)	-	-	-	(37,911)
Total cash flows	149,628	-	(73,400)	-	76,228
Change in reserves for the period	25,861	6,902	7,361	2,206	42,330
Liabilities under insurance contracts at the end of the period	205,102	13,780	47,026	7,896	273,804
Assets under insurance contracts at the end of the period	8,293	-	3,975	-	12,268
Total as at 30 September 2023 (unaudited)	196,809	13,780	43,051	7,896	261,536

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

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 September 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	(26)	-	-	-	-	(3,059)	(49)	(12,461)	(794)	(204)	(16,593)
Liabilities under issued insurance contracts	23,756	161,891	31,703	10,590	93,731	4,462	10,414	34,424	10,602	14,654	396,227
Net amount	23,730	161,891	31,703	10,590	93,731	1,403	10,365	21,963	9,808	14,450	379,634

	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

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

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

30 September 2024 (unaudited)	Currency	Life insurance					General insurance		
		1 year	5 years	10 years	20 years	30 years	1 year	5 years	10 years
Insurance contract	KZT	14.3%	12.6%	11.6%	11.6%	11.5%	15.1%	11.9%	9.5%
	USD	4.3%	3.6%	3.7%	3.9%	3.7%	-	-	-
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 September 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	23,730	-	23,730	14,055	-	14,055
Pension annuities	161,891	-	161,891	116,973	-	116,973
Endowment insurance	31,703	-	31,703	70,593	-	70,593
Term life insurance	10,590	(7,814)	2,776	3,319	(4,616)	(1,297)
Short-term contracts	93,731	(2,040)	91,691	37,164	(6,500)	30,664
Health insurance	1,403	(110)	1,293	1,836	(36)	1,800
Mandatory liability insurance for vehicle owners	10,365	-	10,365	4,239	-	4,239
Property insurance	21,963	(9,741)	12,222	1,319	(4,069)	(2,750)
Motor transport and liability insurance	9,808	(39)	9,769	9,443	(108)	9,335
Other	14,450	(5,646)	8,804	3,835	(2,126)	1,709
Total	379,634	(25,390)	354,244	262,776	(17,455)	245,321

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

	30 September 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	309,689	(10,046)	299,643	205,910	5,562	200,348
OECD	(9,130)	(3,732)	(12,862)	(3,581)	(2,006)	(1,575)
Non-OECD	(4,321)	(4,633)	(8,954)	(5,772)	1,818	(7,590)
	296,238	(18,411)	277,827	196,557	5,374	191,183

	30 September 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	80,414	(6,968)	73,446	65,279	12,063	53,216
OECD	1,536	(3)	1,533	394	10	384
Non-OECD	1,446	(8)	1,438	546	8	538
	83,396	(6,979)	76,417	66,219	12,081	54,138

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

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 September 2024 (unaudited)	Book value	Less than a year	1-4 years	5-9 years	10-19 years	More than 20 years
Pension annuities	132,913	9,974	12,545	12,519	11,605	86,270
Halyk Kazyna	16,161	1,422	11,383	2,294	1,062	-
Total	149,074	11,396	23,928	14,813	12,667	86,270

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

13. Other assets

Other assets include:

	30 September 2024 (unaudited)	31 December 2023
Other financial assets:		
Banking debtors	55,913	75,693
Finance lease receivables	26,510	17,273
Debtors for non-banking activities	12,617	13,115
Accrued commission income	9,242	7,207
Other	135	134
	104,417	113,422
Less – Allowance for expected credit losses	(33,917)	(31,656)
Total financial assets	70,500	81,766
Other non-financial assets:		
Investments in associated organizations	57,136	51,464
Prepayment for property, plant, and equipment	16,443	8,042
Prepaid taxes, excluding income tax	13,518	9,204
Inventory	7,378	7,725
Other investments	4,821	3,874
Prepayment for investment property	3,131	2,737
Goodwill	3,055	3,055
Precious metals	2,240	2,253
Other	3,111	3,542
Total non-financial assets	110,833	91,896
Total other assets	181,333	173,662

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

As at 30 September 2024, investments in associated organizations include investments in JSC Altyn Bank (SB of China CITIC Bank Corporation Ltd.) in the amount of KZT 56,966 million and Open Travel Networks Ltd in the amount of KZT 169 million (31 December 2023 – KZT 51,195 million and KZT 269 million, respectively). On 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 September 2024 (unaudited)	31 December 2023
Recorded at amortised cost:		
Term deposits:		
Individuals	5,581,796	4,808,592
Legal entities	3,500,441	3,338,099
	9,082,237	8,146,691
Current accounts:		
Legal entities	1,930,250	1,762,760
Individuals	961,999	1,020,053
	2,892,249	2,782,813
Total amounts due to customers	11,974,486	10,929,504

As at 30 September 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 September 2024, amounts due to customers included amounts held as collateral of KZT 182,765 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.

The Group recognized the loss in amount of KZT 66,114 million in the consolidated income statement for the nine months ended 30 September 2024 due to the early repayment of the deposit of JSC Kazakhstan Sustainability Fund.

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

An analysis of customer accounts by sectors is as follows:

	30 September 2024 (unaudited)	%	31 December 2023	%
Individuals and entrepreneurs	6,543,795	54%	5,828,645	54%
Wholesale trade	852,998	7%	842,830	8%
Other consumer services	682,274	6%	679,724	6%
Financial sector	654,428	6%	457,576	4%
Transportation	543,710	5%	404,404	4%
Oil and gas	418,559	3%	454,390	4%
Construction	412,244	3%	557,885	5%
Metallurgy	344,964	3%	357,750	3%
Healthcare and social services	285,324	3%	262,791	2%
Education	191,789	2%	161,137	1%
Energy	166,384	1%	97,300	1%
Government and state-controlled companies	143,822	1%	106,071	1%
Communication	81,352	1%	103,978	1%
Insurance and pension funds activity	21,939	1%	131,413	1%
Other	630,904	5%	483,610	5%
	11,974,486	100%	10,929,504	100%

15. Amounts due to credit institutions

Amounts due to credit institutions comprise:

	30 September 2024 (unaudited)	31 December 2023
Recorded at amortised cost:		
Loans and deposits from OECD based (incl. loans under repurchase agreements)	438,932	143,511
Loans and deposits from non-OECD based banks	228,715	64,404
Loans and deposits from Kazakhstan banks (incl. loans under repurchase agreements)	182,083	285,349
Loans from JSC Entrepreneurship Development Fund DAMU	92,656	84,991
Correspondent accounts	85,937	60,205
Loans from JSC Development Bank of Kazakhstan	80,797	80,873
Loans from JSC Agrarian Credit Corporation	70,471	27,923
Loans from JSC Industrial Development Fund	18,445	22,637
Deposits of JSC "National Payment Corporation of the National Bank of the Republic of Kazakhstan"	5,227	6,890
Loans from other financial institutions	-	1,528
Total amounts due to credit institutions	1,203,263	778,311

As at 30 September 2024, loans from JSC Entrepreneurship Development Fund DAMU ("DAMU") included long-term loans of KZT 90,425 million at a 1.0% - 4.5% interest rate maturing in 2022-2035 with an early recall option (31 December 2023 – KZT 82,904 million). These loans were received in accordance with the Government program ("the Program") to finance small and medium enterprises ("SME") operating in certain industries. According to the loan agreements between DAMU and the Group, the Group is responsible to extend loans to SME borrowers, eligible to participate in the Program, up to 10 years at a 5.0% interest rate.

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

As at 30 September 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 September 2024, loans from JSC Development Bank of Kazakhstan (“DBK”) included long-term loans of KZT 36,844 million (31 December 2023 – KZT 36,844 million) at a 2.0% interest rate maturing in 2029 – 2037, to finance corporate enterprises operating in manufacturing industries, as well as a long-term loan of KZT 43,662 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 September 2024, loans from JSC Industrial Development Fund (“IDF”) included long-term loans of KZT 16,412 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. On 23 April 2024, the IDF and the Group signed Supplementary Agreement #4, which changed the terms and conditions regarding the termination of financing by second-tier banks of end borrowers under the revolving mechanism and the reduction of the loan term until 31 July 2030.

As at 30 September 2024, loans from JSC Agrarian Credit Corporation under the “Ken-Dala” program included long-term loans in the amount of KZT 70,000 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.

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

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

	30 September 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)	5.3%-6.8%	2024-2025	6.0%-6.8%	2024-2025
Loans and deposits from non-OECD based banks	1.0%-14.0%	2024-2027	3.0%-25.0%	2024-2027
Loans and deposits from Kazakhstan banks (incl. loans under repurchase agreements)	8.0%-17.0%	2024-2027	4.0%-17.0%	2024-2026
Loans from JSC Entrepreneurship Development Fund DAMU	1.0%-13.0%	2024-2035	1.0%-13.0%	2024-2035
Loans from JSC Development Bank of Kazakhstan	1.0%-2.0%	2029-2037	1.0%-2.0%	2029-2037
Loans from JSC Agrarian Credit Corporation	1.5%	2024-2025	1.5%-5.0%	2024-2025
Loans from JSC Industrial Development Fund	1.0%	2030	1.0%	2052
Deposits of JSC "National Payment Corporation of the National Bank of the Republic of Kazakhstan"	13.80%	2024	14.8%	2024
Loans from other financial institutions	-	-	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 September 2024 and 31 December 2023, are as follows:

	30 September 2024 (unaudited)		31 December 2023	
	Fair value of collateral	Carrying amount of loans	Fair value of collateral	Carrying amount of loans
Financial assets at fair value through other comprehensive income (Note 8)	527,300	438,932	188,100	147,042
Debt securities at amortized cost, net of allowance for expected credit losses (Note 9)	163,295	161,925	269,231	268,663
Financial assets at fair value through profit or loss (Note 6)	18,872	19,385	12,110	12,098
	709,467	620,242	469,441	427,803

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

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

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 September 2024 (unaudited):			
Fair value of transferred assets	163,295	18,266	527,300
Carrying amount of associated liabilities	161,925	18,778	438,932
As at 31 December 2023:			
Fair value of transferred assets	269,231	12,110	188,100
Carrying amount of associated liabilities	268,663	12,098	147,042

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

The management of the Group believes that as at 30 September 2024 and 31 December 2023 the Group was in compliance with covenants.

16. Debt securities issued

Debt securities issued consisted of the following:

	30 September 2024 (unaudited)	31 December 2023
Recorded at amortised cost:		
Subordinated debt securities issued:		
KZT denominated bonds, fixed rate	104,834	94,246
Total subordinated debt securities outstanding	104,834	94,246
Unsubordinated debt securities issued:		
USD denominated bonds	438,819	324,803
KZT denominated bonds	275,103	234,344
Total unsubordinated debt securities outstanding	713,922	559,147
Total debt securities outstanding	818,756	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 September 2024 USD 191 million were placed (31 December 2023 – USD 185.5 million).

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 September 2024 USD 409.7 million were placed (31 December 2023 – USD 221.7 million).

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

On 4 June 2024, the Group issued bonds listed on KASE in the total amount of KZT 290 billion with a floating interest rate, of which KZT 39.1 million with a coupon rate of 12.79% was placed on 25 July 2024 for the first coupon period.

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

	30 September 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%-12.8%	2024-2031	7.5%	2024-2025
USD denominated bonds	3.5%-4.0%	2025	3.5%-4.0%	2025

As at 30 September 2024, accrued interest on debt securities issued was KZT 18,584 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.

	1 January 2024	Cash changes		Non-cash changes		30 September 2024 (unaudited)
		Issuance of debt securities	Redemption and repayment of debt securities	Foreign exchange movement	Changes in amortised cost	
Debt securities issued	653,393	166,136	(33,897)	18,805	14,319	818,756

	1 January 2023	Cash changes		Non-cash changes		30 September 2023 (unaudited)
		Issuance of debt securities	Redemption and repayment of debt securities	Foreign exchange movement	Changes in amortised cost	
Debt securities issued	462,817	358,753	(173,659)	15,404	14,137	677,452

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

17. Taxation

The income tax expense comprises:

	Three months ended 30 September 2024 (unaudited)	Three months ended 30 September 2023 (unaudited)	Nine months ended 30 September 2024 (unaudited)	Nine months ended 30 September 2023 (unaudited)
Current income tax expense	44,512	32,133	125,041	94,203
Deferred income tax expense/(benefit)	2,484	173	(13,097)	346
Total income tax expense	46,996	32,306	111,944	94,549

The income tax rate for Kazakhstan legal entities was 20% for the nine months ended 30 September 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 nine months ended 30 September 2024 is 14.9% (for the nine months ended 30 September 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.

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

18. Other liabilities

Other liabilities include:

	30 September 2024 (unaudited)	31 December 2023
Other financial liabilities:		
Liabilities from continuing involvement	104,050	104,921
Banking creditors	81,039	52,130
Lenders for non-banking activities	11,367	16,332
General and administrative expenses payable	5,935	2,641
Lease liabilities	4,302	4,965
Other	5,882	805
	212,575	181,794
Other non-financial liabilities:		
Accrual for settlements with employees, bonuses, and vacations	36,700	35,110
Tax debts other than income tax	21,191	8,416
Other advances received	13,065	13,598
Commercial real estate lenders	7,901	3,838
	78,857	60,962
	291,432	242,756

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

The Bank has determined that it has 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 Bank's continuing involvement takes the form of a guarantee over the transferred asset. Because the Bank continues to recognize an asset to the extent of its continuing involvement in loans to customers, the Bank also recognizes an associated liability.

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

19. Equity

The number of shares authorised, issued and fully paid as at 30 September 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 September 2024 (unaudited)					
Common	25,000,000,000	(11,552,455,218)	13,447,544,782	(2,548,342,176)	10,899,202,606
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	(10,977,276)	(2,063)
Sale of treasury shares	8,008,291	1,160
30 September 2024 (unaudited)	10,899,202,606	(50,390)

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 September 2024 and 31 December 2023, share capital comprised KZT 209,027 million. As at 30 September 2024, the Group held 2,548,342,176 shares of the Group's common shares as treasury shares at KZT 259,417 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.

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

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 September 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	(41,971)	(45,279)
Less: provisions	(9,752)	(11,695)
Financial commitments and contingencies, net	1,092,976	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 September 2024, uncovered guarantees issued for the ten largest groups of customers/groups of customers accounted for 51% 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 September 2024, the ten largest unsecured letters of credit accounted for 53% of the Group's total commercial letters of credit (31 December 2023 – 57%) and represented 2% of the Group's total equity (31 December 2023 – 3%).

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

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

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

The movements in provisions were as follows:

	Three months ended 30 September 2024 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total
At the beginning of the period	(1,887)	(2,525)	(4,169)	(8,581)
Transfer to Stage 1	67	-	(67)	-
(Additional provisions recognized)/recoveries of provisions	(1,009)	797	(1,028)	(1,240)
Foreign exchange differences	(21)	1	89	69
At the end of the period	(2,850)	(1,727)	(5,175)	(9,752)

	Nine months ended 30 September 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	-
Transfer to Stage 3	67	-	(67)	-
(Additional provisions recognized)/recoveries of provisions	(204)	1,492	775	2,063
Foreign exchange differences	(83)	(1)	(36)	(120)
At the end of the period	(2,850)	(1,727)	(5,175)	(9,752)

	Three months ended 30 September 2023 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total
At the beginning of the period	(1,039)	(5,720)	(5,087)	(11,846)
Transfer to Stage 1	(3)	3	-	-
Transfer to Stage 3	304	-	(304)	-
(Additional provisions recognized)/recoveries of provisions	(494)	821	(279)	48
Foreign exchange differences	(5)	(10)	(35)	(50)
At the end of the period	(1,237)	(4,906)	(5,705)	(11,848)

	Nine months ended 30 September 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	(5,175)	3	5,172	-
Transfer to Stage 2	1	(1)	-	-
Transfer to Stage 3	1,969	-	(1,969)	-
Recoveries of provisions/(additional provisions recognized)	1,982	1,614	(1,991)	1,605
Foreign exchange differences	(5)	192	133	320
At the end of the period	(1,237)	(4,906)	(5,705)	(11,848)

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

Capital commitments

As at 30 September 2024, the Group had capital expenditures commitments in respect of construction in progress for KZT 27,145 million, of which KZT 21,706 million relates to the construction of the Bank's administrative building in Astana (31 December 2023 – KZT 35,790 million, of which KZT 33,871 million relates to the construction of the Bank's administrative building in Astana).

Operating lease commitments

There were no material operating lease commitments under irrevocable operating leases outstanding as at 30 September 2024 and 31 December 2023.

21. Net interest income

	Three months ended 30 September 2024 (unaudited)	Three months ended 30 September 2023 (unaudited)	Nine months ended 30 September 2024 (unaudited)	Nine months ended 30 September 2023 (unaudited)
Interest income:				
Loans to customers	424,985	347,924	1,230,245	971,928
- Corporate business	173,378	154,786	511,145	438,861
- Retail business	180,225	136,157	510,378	375,349
- SME business	71,382	56,981	208,722	157,718
Debt securities at amortised cost, net of allowance for expected credit losses	13,146	13,525	39,617	52,760
Financial assets at fair value through other comprehensive income	53,258	42,686	142,723	110,920
Amounts due from credit institutions and cash and cash equivalents	51,744	7,705	115,249	34,815
Other assets	2,009	1,581	5,534	5,436
Interest income calculated using effective interest method	545,142	413,421	1,533,368	1,175,859
Financial assets at fair value through profit or loss	14,710	12,401	38,492	30,425
Other interest income	14,710	12,401	38,492	30,425
Total interest income	559,852	425,822	1,571,860	1,206,284
Interest expense:				
Amounts due to customers	(240,087)	(183,858)	(697,852)	(537,227)
- Individuals	(129,810)	(93,855)	(364,643)	(255,441)
- Legal entities	(110,277)	(90,003)	(333,209)	(281,786)
Amounts due to credit institutions	(14,221)	(12,254)	(34,385)	(34,124)
Debt securities issued	(12,987)	(11,136)	(35,041)	(29,139)
Other financial liabilities	(136)	-	(522)	(16)
Other interest and similar expenses	(169)	(147)	(545)	(444)
Total interest expense	(267,600)	(207,395)	(768,345)	(600,950)
Net interest income before credit loss expense	292,252	218,427	803,515	605,334

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

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

For the nine months ended 30 September 2024, the total interest income calculated using the effective interest rate (“EIR”) method for financial assets measured at amortised cost comprised KZT 1,390,645 million (for the nine months ended 30 September 2023: KZT 1,064,939 million).

22. Fees and commissions

Fee and commission income is derived from the following sources:

	Three months ended 30 September 2024 (unaudited)	Three months ended 30 September 2023 (unaudited)	Nine months ended 30 September 2024 (unaudited)	Nine months ended 30 September 2023 (unaudited)
Transactional income of individuals	35,445	35,026	103,636	102,325
Transactional income of legal entities	11,400	12,668	30,320	32,773
Letters of credit and guarantees issued	6,945	5,585	19,659	14,468
Other	2,443	1,362	7,160	6,454
Loyalty program	(2,395)	(2,803)	(7,207)	(5,493)
Total fee and commission income	53,838	51,838	153,568	150,527

Fee and commission expense is derived from the following sources:

	Three months ended 30 September 2024 (unaudited)	Three months ended 30 September 2023 (unaudited)	Nine months ended 30 September 2024 (unaudited)	Nine months ended 30 September 2023 (unaudited)
Transactional expense of individuals	(19,093)	(17,901)	(56,591)	(53,909)
Deposit insurance	(4,450)	(3,715)	(11,830)	(9,947)
Transactional expense of legal entities	(1,288)	(1,451)	(3,736)	(3,992)
Other	(3,165)	(1,050)	(4,116)	(3,239)
Total fee and commission expense	(27,996)	(24,117)	(76,273)	(71,087)

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

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

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

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 September 2024 (unaudited)	Three months ended 30 September 2023 (unaudited)	Nine months ended 30 September 2024 (unaudited)	Nine months ended 30 September 2023 (unaudited)
Net gain on operations with financial assets and liabilities classified as held for trading:				
Realized net (loss)/gain on derivative operations	(5,722)	14,967	28,968	21,890
Unrealized net (loss)/gain on derivative operations	(7,233)	(1,130)	50	13,741
Net gain/(loss) on trading operations	18,678	183	26,791	8,059
Total net gain on operations with financial assets and liabilities classified as held for trading	5,723	14,020	55,809	43,690

24. Net gain on foreign exchange operations

Net foreign exchange gain comprises:

	Three months ended 30 September 2024 (unaudited)	Three months ended 30 September 2023 (unaudited)	Nine months ended 30 September 2024 (unaudited)	Nine months ended 30 September 2023 (unaudited)
Dealing, net	37,823	27,865	97,475	78,533
Translation differences, net	15,060	1,920	(6,361)	(17,338)
Total net foreign exchange gain	52,883	29,785	91,114	61,195

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

25. Operating expenses

Operating expenses comprised:

	Three months ended 30 September 2024 (unaudited)	Three months ended 30 September 2023 (unaudited)	Nine months ended 30 September 2024 (unaudited)	Nine months ended 30 September 2023 (unaudited)
Salaries and other employee benefits	38,752	32,479	107,155	93,125
Depreciation and amortization expenses	5,143	5,122	14,766	13,862
Taxes other than income tax	3,015	2,249	8,293	6,706
Information services	2,121	1,849	6,214	5,381
Communication	2,255	1,655	6,250	4,516
Professional services	1,832	431	3,028	910
Repairs and maintenance	1,671	1,434	3,858	3,314
Charity*	1,670	1,007	5,326	3,631
Utilities expenses	1,574	1,086	4,279	3,456
Advertisement	1,508	1,458	3,717	3,396
Security	1,152	1,384	4,084	4,162
Rent	898	751	2,655	2,311
Stationery and office supplies	638	820	2,009	2,257
Other	2,612	2,779	9,111	7,060
Total operating expenses	64,841	54,504	180,745	154,087

* 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 nine months ended 30 September 2024, the Group contributed KZT 2.2 billion to the Foundation (31 December 2023 – KZT 2 billion), which is part of the charitable expenses.

26. Income on non-banking activities

	Three months ended 30 September 2024 (unaudited)	Three months ended 30 September 2023 (unaudited)	Nine months ended 30 September 2024 (unaudited)	Nine months ended 30 September 2023 (unaudited)
Other income on non-banking activities	4,964	1,325	4,499	3,007
Net gain on sale of commercial property	661	4,429	10,310	13,709
Net (loss)/gain on sale of investment property	(536)	(94)	2,186	(21)
Net (loss)/gain on sale of assets classified as held for sale	(4,005)	623	(480)	1,035
Income on non-banking activities	1,084	6,283	16,515	17,730

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

27. 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 September 2024 (unaudited)	Three months ended 30 September 2023 (unaudited)	Nine months ended 30 September 2024 (unaudited)	Nine months ended 30 September 2023 (unaudited)
Basic and diluted earnings per share				
Net profit for the period attributable to equity holders of the parent	259,720	168,964	638,813	539,778
Earnings attributable to common shareholders	259,720	168,964	638,813	539,778
Weighted average number of common shares for the purposes of basic earnings per share	10,902,809,845	10,903,114,690	10,903,050,879	10,892,184,285
Basic and diluted earnings per share (in Tenge)	23.82	15.50	58.59	49.56

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

Class of shares	30 September 2024 (unaudited)		
	Outstanding shares	Equity (as calculated per KASE rules)	Book value of one share, in KZT
Common	10,899,202,606	2,865,053	262.87
		2,865,053	
Class of shares	31 December 2023		
	Outstanding shares	Equity (as calculated per KASE rules)	Book value of one share, in KZT
Common	10,902,171,591	2,463,607	225.97
		2,463,607	

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

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

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

28. 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 September 2024 and are disclosed in the annual consolidated financial statements for the year ended 31 December 2023.

Liquidity Risk

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

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

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

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

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

	30 September 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	1,958,220	-	-	-	-	1,958,220
Obligatory reserves	147,434	29,916	86,986	18,154	7,645	290,135
Financial assets at fair value through profit or loss	744,619	-	162	19,586	-	764,367
Amounts due from credit institutions	85,708	1,092	18,969	38,546	389	144,704
Financial assets at fair value through other comprehensive income	274,589	60,394	797,785	1,152,352	750,397	3,035,517
Debt securities at amortised cost, net of allowance for expected credit losses	-	7,629	12,309	504,513	-	524,451
Loans to customers	370,162	888,632	5,080,597	3,450,576	537,722	10,327,689
Other financial assets	29,384	3,448	12,283	21,297	4,088	70,500
	3,610,116	991,111	6,009,091	5,205,024	1,300,241	17,115,583
FINANCIAL LIABILITIES:						
Amounts due to customers	6,367,011	1,217,061	3,554,322	634,444	201,648	11,974,486
Amounts due to credit institutions	567,280	138,547	159,044	164,414	173,978	1,203,263
Financial liabilities at fair value through profit or loss	3,357	-	-	637	-	3,994
Debt securities issued	9,049	105,504	569,347	95,785	39,071	818,756
Other financial liabilities	195,403	4,934	11,344	502	392	212,575
	7,142,100	1,466,046	4,294,057	895,782	415,089	14,213,074
Net position	(3,531,984)	(474,935)	1,715,034	4,309,242	885,152	2,902,509
Accumulated gap	(3,531,984)	(4,006,919)	(2,291,885)	2,017,357	2,902,509	

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

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

As at 30 September 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.

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

Currency Risk

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

	30 September 2024 (unaudited)						
	USD	EURO	RUR	Other	Total foreign currencies	KZT	Total
FINANCIAL ASSETS:							
Cash and cash equivalents	397,425	81,820	20,871	165,303	665,419	1,292,801	1,958,220
Obligatory reserves	12,669	1,967	-	40,556	55,192	234,943	290,135
Financial assets at fair value through profit or loss	306,761	4,744	19	-	311,524	452,843	764,367
Amounts due from credit institutions	111,983	-	957	20,204	133,144	11,560	144,704
Financial assets at fair value through other comprehensive income	1,560,631	236,558	7,931	-	1,805,120	1,230,397	3,035,517
Debt securities at amortised cost, net of allowance for expected credit losses	3,530	-	-	10,549	14,079	510,372	524,451
Loans to customers	1,783,963	176,411	11,454	101,636	2,073,464	8,254,225	10,327,689
Other financial assets	3,317	552	2,393	2,751	9,013	61,487	70,500
	4,180,279	502,052	43,625	340,999	5,066,955	12,048,628	17,115,583
FINANCIAL LIABILITIES							
Amounts due to customers	3,153,305	228,582	38,461	129,002	3,549,350	8,425,136	11,974,486
Amounts due to credit institutions	666,957	15,151	3,727	37,409	723,244	480,019	1,203,263
Financial liabilities at fair value through profit or loss	108	117	637	-	862	3,132	3,994
Debt securities issued	438,820	-	-	-	438,820	379,936	818,756
Other financial liabilities	45,485	1,488	40	8,222	55,235	157,340	212,575
	4,304,675	245,338	42,865	174,633	4,767,511	9,445,563	14,213,074
Net position – on-balance	(124,396)	256,714	760	166,366	299,444	2,603,065	2,902,509
Net position – off-balance	264,799	(249,137)	8,567	(93,419)	(69,190)	79,044	
Net position	140,403	7,577	9,327	72,947	230,254	2,682,109	

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

31 December 2023

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

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

29. 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.

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

The below table summarises the regulatory capital composition and capital adequacy ratios of the Group for the periods ended 30 September 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 September 2024 (unaudited)	31 December 2023
Composition of regulatory capital		
CET 1 Capital		
Common shares, net of treasury shares	(50,390)	(49,487)
Share premium	8,766	8,667
Retained earnings of prior years	2,170,604	1,750,723
Net income for the current year	638,815	693,436
Accumulated disclosed reserves	53,823	54,320
Non-controlling interest	12	10
Property and financial assets at fair value through other comprehensive income revaluation reserves	50,223	13,620
Less: goodwill and intangible assets	(17,277)	(16,401)
Less: cumulative translation reserve	(4,763)	(3,459)
Common Equity Tier 1 (CET 1) Capital	2,849,813	2,451,429
Additional tier 1		
Tier 2		
Subordinated debt	20,967	37,698
Total qualifying for Tier 2 capital	20,967	37,698
Total regulatory capital	2,870,780	2,489,127
Risk weighted assets	15,026,395	12,676,762
CET 1 capital adequacy ratio	18.97%	19.34%
Tier 1 capital adequacy ratio	18.97%	19.34%
Total capital adequacy ratio	19.10%	19.64%

30. 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 Nine months ended 30 September 2024 in comparison with the year ended 31 December 2023.

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

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

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

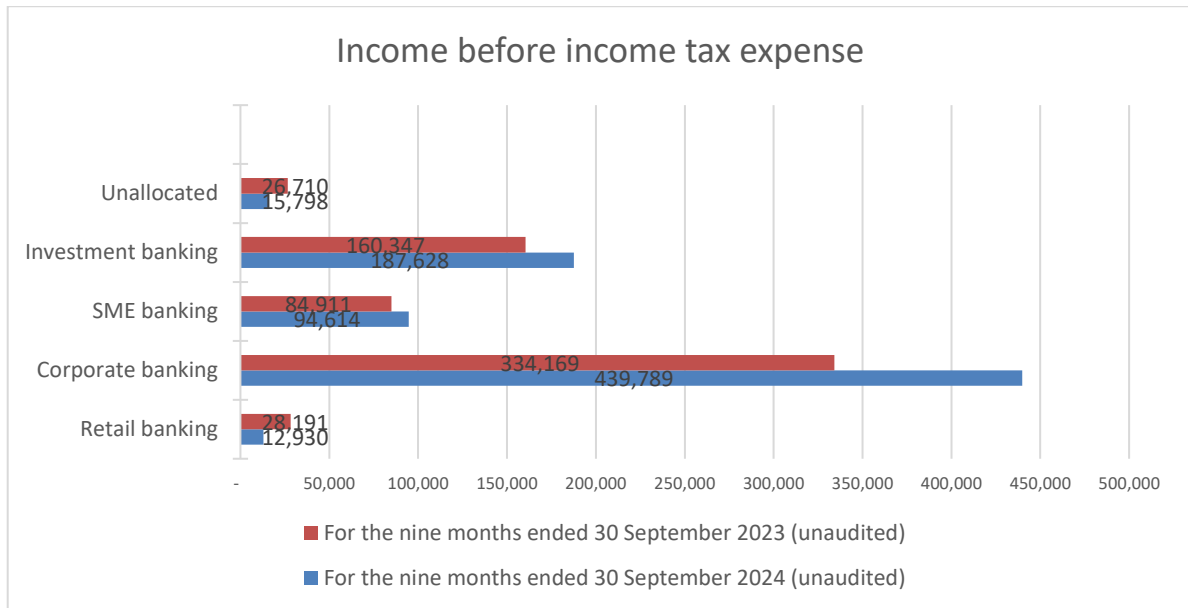
	Retail Banking	Corporate banking	SME banking	Investment banking	Unallocated	Total
As at 30 September 2024 and for the nine months then ended (unaudited)						
External revenues	620,145	700,375	261,429	225,549	236,763	2,044,261
Total revenues	620,145	700,375	261,429	225,549	236,763	2,044,261
Total revenues comprise:						
- Interest income	510,379	633,037	208,673	214,871	4,900	1,571,860
- Fee and commission income, including:	97,565	26,197	26,952	-	2,854	153,568
<i>Transaction income of individuals</i>	103,636	-	-	-	-	103,636
<i>Transaction income of legal entities</i>	-	8,534	21,785	-	-	30,319
<i>Letters of credit and guarantees issued</i>	31	14,496	5,132	-	-	19,659
<i>Other</i>	902	3,369	35	-	2,854	7,160
<i>Loyalty program</i>	(7,004)	(203)	-	-	-	(7,207)
- Net gain from financial assets and liabilities at fair value through profit or loss	-	47,243	-	8,566	-	55,809
- Net realized gain from financial assets measured at fair value through other comprehensive income	-	-	-	2,112	-	2,112
- Net gain/(loss) on foreign exchange operations	12,201	60,012	25,804	-	(6,903)	91,114
- Share in profit of associate	-	-	-	-	12,146	12,146
- Insurance underwriting income, income on non-banking activities and other income	-	(66,114)	-	-	223,766	157,652
Total revenues	620,145	700,375	261,429	225,549	236,763	2,044,261
- Interest expense	(364,643)	(249,880)	(118,464)	(35,041)	(317)	(768,345)
- Credit loss expense	(74,201)	2,304	(25,252)	(473)	(1,369)	(98,991)
- Fee and commission expense	(70,294)	(2,491)	(2,846)	(639)	(3)	(76,273)
- Operating expenses	(98,077)	(12,065)	(20,763)	(1,768)	(48,072)	(180,745)
- Recovery of credit loss expense	-	1,546	510	-	7	2,063
- 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	-	-	-	-	(171,257)	(171,257)
Total expenses	(607,215)	(260,586)	(166,815)	(37,921)	(220,965)	(1,293,502)
Segment result	12,930	439,789	94,614	187,628	15,798	750,759
Income before income tax expense						750,759
Income tax expense					(111,944)	(111,944)
Net profit						638,815
Total segment assets	3,654,590	7,333,809	1,549,309	4,242,503	869,897	17,650,108
Total segment liabilities	6,354,525	4,642,434	2,131,950	818,756	823,170	14,770,835
Other segment items:						
Capital expenditures					(44,138)	(44,138)
Depreciation and amortization					(14,766)	(14,766)
Investments in associate					57,136	57,136

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

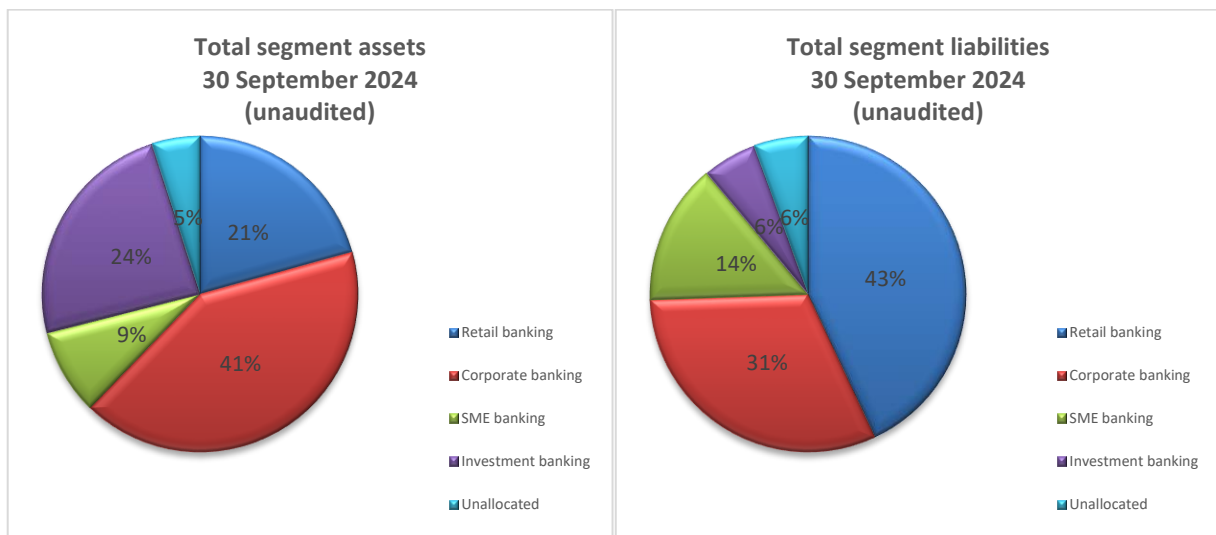
	Retail Banking	Corporate banking	SME banking	Investment banking	Unallocated	Total
As at 30 September 2023 and for the nine months then ended (unaudited)						
External revenues	485,483	576,705	213,585	194,164	202,569	1,672,506
Total revenues	485,483	576,705	213,585	194,164	202,569	1,672,506
Total revenues comprise:						
- Interest income	375,107	475,179	161,220	191,806	2,972	1,206,284
- Fee and commission income, including:	97,780	23,155	26,916	-	2,676	150,527
<i>Transaction income of individuals</i>	102,325	-	-	-	-	102,325
<i>Transaction income of legal entities</i>	-	9,265	23,508	-	-	32,773
<i>Letters of credit and guarantees issued</i>	-	11,169	3,299	-	-	14,468
<i>Other</i>	742	2,927	109	-	2,676	6,454
<i>Loyalty program</i>	(5,287)	(206)	-	-	-	(5,493)
- Net gain/(loss) from financial assets and liabilities at fair value through profit or loss	-	41,103	-	2,345	242	43,690
- Net gain/(loss) on foreign exchange operations	12,596	37,268	25,449	13	(14,131)	61,195
- Share in profit of associate	-	-	-	-	10,789	10,789
- Insurance underwriting income, income on non-banking activities and other income	-	-	-	-	200,021	200,021
Total revenues	485,483	576,705	213,585	194,164	202,569	1,672,506
- Interest expense	(247,551)	(225,557)	(98,631)	(28,988)	(223)	(600,950)
- Credit loss expense	(60,239)	(3,453)	(11,267)	(532)	3,093	(72,398)
- Fee and commission expense	(64,944)	(4,076)	(1,319)	(748)	-	(71,087)
- Net loss from financial assets and liabilities at fair value through other comprehensive income	-	-	-	(2,374)	-	(2,374)
- Operating expenses	(84,558)	(11,430)	(17,110)	(1,175)	(39,814)	(154,087)
- Recovery of credit loss expense/(Other credit loss expense)	-	1,980	(347)	-	(28)	1,605
- Loss from impairment of non-financial assets	-	-	-	-	(61)	(61)
- Insurance claims incurred	-	-	-	-	(138,826)	(138,826)
Total expenses	(457,292)	(242,536)	(128,674)	(33,817)	(175,859)	(1,038,178)
Segment result	28,191	334,169	84,911	160,347	26,710	634,328
Income before income tax expense						634,328
Income tax expense					(94,549)	(94,549)
Net profit						539,779
Total segment assets	2,767,547	5,478,168	1,302,682	3,870,904	830,348	14,249,649
Total segment liabilities	5,229,926	3,543,940	2,180,923	698,611	414,977	12,068,377
Other segment items:						
Capital expenditures					(29,409)	(29,409)
Depreciation and amortization					(13,862)	(13,862)
Investments in associate					47,572	47,572

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

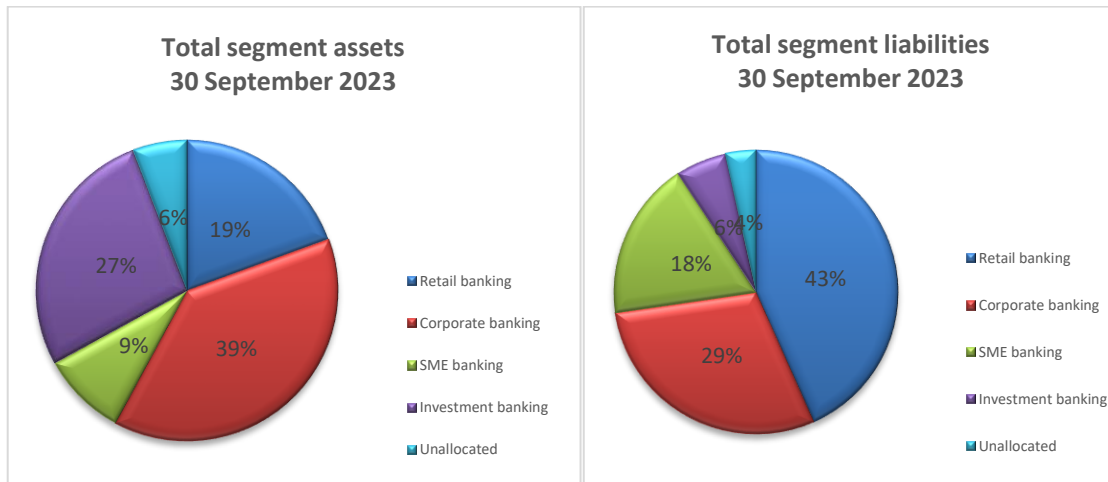
Income before income tax expense by segments were as follows:



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



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



Geographical information

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

	Kazakhstan	OECD	Non-OECD	Total
30 September 2024 (unaudited)				
Total assets	16,108,076	967,225	574,807	17,650,108
31 December 2023				
Total assets	13,495,756	1,393,663	604,949	15,494,368
Nine months ended 30 September 2024 (unaudited)				
External revenues	1,941,747	50,607	51,907	2,044,261
Capital expenditures	(41,234)	-	(2,904)	(44,138)
Nine months ended 30 September 2023 (unaudited)				
External revenues	1,583,320	39,735	49,451	1,672,506
Capital expenditures	(21,290)	-	(8,119)	(29,409)

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.

31. Fair values of financial instruments

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

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

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

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

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

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

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

Financial Assets/Liabilities	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	30 September 2024 (unaudited)	31 December 2023				
Non-derivative financial assets at fair value through profit or loss (Note 6)	130,893	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)	460,000	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)	151,497	132,682	Level 3	Valuation model based on internal rating model. Discounted cash flows. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period).	Percentage discount	The greater discount - the smaller fair value
Derivative financial assets at fair value through profit or loss, excluding options (Note 6)	21,977	23,836	Level 2		Not applicable	Not applicable
Total financial assets at fair value through profit or loss	764,367	589,362				
Derivative financial liabilities at fair value through profit or loss, excluding options (Note 6)	3,994	4,202	Level 2	Discounted cash flows. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting year).	Not applicable	Not applicable
Total financial liabilities at fair value through profit or loss	3,994	4,202				
Non-derivative financial assets at fair value through other comprehensive income (Note 8)	807,606	428,476	Level 1	Quoted prices in an active market.	Not applicable	Not applicable
Non-derivative financial assets at fair value through other comprehensive income in bonds of foreign organisations (Note 8)	2,227,904	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)	7	53	Level 3	Unquoted equity securities	Percentage discount	The greater discount - the smaller fair value
Financial assets at fair value through other comprehensive income	3,035,517	2,425,902				

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

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

During the nine months ended 30 September 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	46	8,213
30 September 2024 (unaudited)	7	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.

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

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

	30 September 2024 (unaudited)		31 December 2023			
	Carrying amount	Fair value	Carrying amount	Fair Value		
Financial assets						
Amounts due from credit institutions	144,704	144,434	171,754	177,504		
Loans to customers	10,327,689	10,330,427	9,284,872	9,360,564		
Debt securities at amortised cost, net of allowance for expected credit losses	524,451	490,311	725,343	665,491		
Financial liabilities						
Amounts due to customers	11,974,486	12,037,498	10,929,504	10,885,820		
Amounts due to credit institutions	1,203,263	1,238,993	778,311	816,092		
Debt securities issued	818,756	815,094	653,393	642,695		
			30 September 2024 (unaudited)			
			Level 2	Level 3	Total	
Financial assets						
Amounts due from credit institutions		144,434	-	-	144,434	
Loans to customers		-	10,330,427	-	10,330,427	
Debt securities at amortised cost, net of allowance for expected credit losses		486,761	3,550	-	490,311	
Financial liabilities						
Amounts due to customers		12,037,498	-	-	12,037,498	
Amounts due to credit institutions		1,238,993	-	-	1,238,993	
Debt securities issued		815,094	-	-	815,094	
					31 December 2023	
			Level 2	Level 3	Total	
Financial assets						
Amounts due from credit institutions		177,504	-	-	-	177,504
Loans to customers		-	-	9,360,564	-	9,360,564
Debt securities at amortised cost, net of allowance for expected credit losses		472,070	193,421	-	-	665,491
Financial liabilities						
Amounts due to customers		10,885,820	-	-	-	10,885,820
Amounts due to credit institutions		816,092	-	-	-	816,092
Debt securities issued		642,695	-	-	-	642,695

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

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

32. 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 September 2024 and 31 December 2023 with related parties:

	30 September 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	8,631	10,884,432	12,025	9,774,798
- entities with joint control or significant influence over the entity	8,348		11,706	
- key management personnel of the entity or its parent	271		311	
- other related parties	12		8	
Allowance for expected credit losses	(20)	(556,743)	(48)	(489,926)
- entities with joint control or significant influence over the entity	(16)		(44)	
- key management personnel of the entity and its parent	(3)		(3)	
- other related parties	(1)		(1)	
Other assets	57,136	181,333	51,464	173,662
- Investments in associates	57,136		51,464	
Amounts due to customers	362,474	11,974,486	178,669	10,929,504
- the parent	310,544		110,838	
- entities with joint control or significant influence over the entity	43,462		46,305	
- key management personnel of the entity or its parent	3,280		11,397	
- other related parties	5,188		10,129	
Debt securities issued	311,788	818,756	227,351	653,393
- the parent	310,813		223,473	
- key management personnel of the entity or its parent	975		3,878	

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

The following amounts resulted from transactions with related parties and have been reflected in the interim condensed consolidated statement of profit or loss for the nine months ended 30 September 2024 and 2023:

	Nine months ended 30 September 2024 (unaudited)		Nine months ended 30 September 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	1,020	1,533,368	2,009	1,175,859
- <i>entities with joint control or significant influence over the entity</i>	1,004		1,985	
- <i>key management personnel of the entity or its parent</i>	16		24	
Interest expense	(10,091)	(768,345)	(7,509)	(600,950)
- <i>the parent</i>	(7,765)		(4,367)	
- <i>entities with joint control or significant influence over the entity</i>	(1,833)		(2,593)	
- <i>key management personnel of the entity or its parent</i>	(240)		(176)	
- <i>other related parties</i>	(252)		(373)	
Share in profit of associate	12,146	12,146	10,789	10,789
Operating expenses	(2,200)	(180,745)	(2,200)	(154,087)
- <i>entities with joint control or significant influence over the entity</i>	(2,200)		(2,200)	
	Nine months ended 30 September 2024 (unaudited)		Nine months ended 30 September 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:	4,634	107,155	3,715	93,125
- <i>short-term employee benefits</i>	4,634		3,715	

33. Subsequent events

On 4 October 2024, the Bank received permission from the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market to establish a subsidiary, Halyk Lab LLP.

On 30 October 2024, a subsidiary of Halyk Lab LLP was registered with the Government for Citizens State Corporation. On 6 November 2024, the authorized capital of the subsidiary in the amount of KZT 20 million was formed.