



Damu Entrepreneurship Development Fund JSC

**Condensed Interim Financial Information prepared in
accordance with IAS 34 *Interim Financial Reporting***

30 June 2024

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CONDENSED INTERIM FINANCIAL INFORMATION

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Report on Review of Condensed Interim Financial Information

To the Shareholder and Board of the Directors of Damu Entrepreneurship Development Fund JSC:

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Damu Entrepreneurship Development Fund JSC (the "Fund") as at 30 June 2024 and the related condensed interim statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended, condensed interim statements of changes in equity and cash flows for the six-month period then ended, and the related explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim 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 condensed interim 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 condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

PricewaterhouseCoopers LLP

1 August 2024

Almaty, Kazakhstan

Damu Entrepreneurship Development Fund JSC
Condensed Interim Statement of Financial Position

<i>In thousands of Kazakhstani Tenge</i>	Note	30 June 2024 (unaudited)	31 December 2023
ASSETS			
Cash and cash equivalents	6	140,962,982	124,974,982
Due from financial institutions	7	303,116,742	284,039,085
Due from subsidy programs		737,210	136,338
Loans and advances to customers		783,172	1,214,754
Investments in debt securities	8	7,624,912	5,692,121
Current income tax prepayment		2,864,526	2,075,575
Other assets	9	3,904,561	1,075,511
Deferred tax asset		1,395,507	582,713
Premises and equipment		2,440,484	2,051,605
Intangible assets		219,189	264,471
Non-current assets held for sale		230,233	28,347
TOTAL ASSETS		464,279,518	422,135,502
LIABILITIES			
Borrowed funds	10	153,302,593	148,272,206
Debt securities in issue		1,025,122	1,035,039
Liabilities on subsidy programs	11	23,508,702	2,972,435
Deferred income and provision for credit related commitments	12	73,389,121	68,393,748
Other liabilities	13	28,359,374	889,865
TOTAL LIABILITIES		279,584,912	221,563,293
EQUITY			
Share capital	14	102,920,273	102,920,273
Additional paid-in-capital		8,648,785	10,735,627
Revaluation reserve for investment securities at fair value through other comprehensive income		(358,768)	(363,647)
Other reserves		316,430	316,430
Retained earnings		73,167,886	86,963,526
TOTAL EQUITY		184,694,606	200,572,209
TOTAL LIABILITIES AND EQUITY		464,279,518	422,135,502

Approved for issue and signed on behalf of the Management Board on 1 August 2024.


Mr. Bakhytzhon Makazhanov
Vice Chairman of the Managing Board




Mrs. Akmaral Bekmuratova
Chief Accountant

Damu Entrepreneurship Development Fund JSC
Condensed Interim Statement of Profit and Loss and Other Comprehensive Income

(In thousands of Kazakhstani Tenge)	Note	Six months ended		Three months ended	
		30 June 2024 (unaudited)	30 June 2023 (unaudited)	30 June 2024 (unaudited)	30 June 2023 (unaudited)
Interest income received, calculated using effective interest rate method	15	18,492,017	19,078,732	9,474,072	9,663,996
Other similar income	15	3,402	3,442	1,730	1,722
Interest expense	15	(3,731,909)	(4,012,046)	(1,874,710)	(2,028,177)
Net interest margin and similar income		14,763,510	15,070,128	7,601,092	7,637,541
Change in credit loss allowance	7, 8, 9	660,681	6,296,171	(67,637)	6,313,751
Net interest margin after credit loss allowance		15,424,191	21,366,299	7,533,455	13,951,292
Fee and commission income, net	16	14,138,985	14,620,637	7,260,447	7,465,159
Gains less losses on derecognition of financial assets measured at amortised cost		353,680	1,167,041	227,867	151,916
Gains less losses from securities at fair value through profit or loss		715	(2,132)	(2,375)	(3,592)
Foreign exchange translation gains less losses		111,004	(52,806)	161,921	4,965
Gains less losses from foreign currency transactions		(8)	(11,711)	(8)	(32)
Net loss on initial recognition of assets at rates below market	17	(8,420,847)	-	(8,420,847)	-
Recovery/(Provision for) of credit related commitments		(1,443,508)	4,181,906	(1,582,087)	1,816,711
(Impairment)/recovery of provisions for other assets		(44,460)	(95,653)	13,620	(58,891)
Other operating income		173,649	470,204	132,205	396,934
Expenses on realisation of Fund's programs		(1,019,417)	(795,164)	(504,749)	(476,815)
General and administrative expenses		(3,375,077)	(3,018,447)	(1,578,658)	(1,481,120)
Profit before tax		15,898,907	37,830,174	3,240,791	21,766,527
Income tax expense	18	(2,680,135)	(7,337,623)	(686,093)	(4,215,894)
PROFIT FOR THE PERIOD		13,218,772	30,492,551	2,554,698	17,550,633
Other comprehensive income:					
Investments at fair value through other comprehensive income:					
- (losses less gains) / gains less losses arising during the period		4,879	(49,497)	(23,485)	(225,302)
Total comprehensive income for the period		13,223,651	30,443,054	2,531,213	17,325,331

Profit and total comprehensive income for both interim periods is fully attributable to the Fund's shareholder.

Damu Entrepreneurship Development Fund JSC
Condensed Interim Statement of Changes in Equity

	Share capital	Additional paid-in-capital	Revaluation reserve for investment securities at fair value through other comprehensive income	Other reserves	Retained earnings/(loss)	Total
<i>(In thousands of Kazakhstani Tenge)</i>						
Balance at 1 January 2023	102,920,273	10,735,627	(771,353)	316,430	61,787,891	174,988,868
Profit for the period (unaudited)	-	-	-	-	30,492,551	30,492,551
Other comprehensive income (unaudited)	-	-	(49,497)	-	-	(49,497)
Total comprehensive income for the six months ended 30 June 2023 (unaudited)	-	-	(49,497)	-	30,492,551	30,443,054
Dividends declared (unaudited)	-	-	-	-	(13,416,382)	(13,416,382)
Balance at 30 June 2023 (unaudited)	102,920,273	10,735,627	(820,850)	316,430	78,864,060	192,015,540
Balance at 1 January 2024	102,920,273	10,735,627	(363,647)	316,430	86,963,526	200,572,209
Profit for the period (unaudited)	-	-	-	-	13,218,772	13,218,772
Other comprehensive income (unaudited)	-	-	4,879	-	-	4,879
Losses on initial recognition of a deposit with a below-market rate, including deferred tax (unaudited)	-	(2,086,842)	-	-	-	(2,086,842)
Total comprehensive income for the six months ended 30 June 2024 (unaudited)	-	(2,086,842)	4,879	-	13,218,772	11,136,809
Dividends declared (unaudited)	-	-	-	-	(27,014,412)	(27,014,412)
Balance at 30 June 2024 (unaudited)	102,920,273	8,648,785	(358,768)	316,430	73,167,886	184,694,606

The notes set out on pages 5 to 38 form an integral part of these condensed interim financial information.

Damu Entrepreneurship Development Fund JSC
Condensed Interim Statement of Cash Flows

<i>(In thousands of Kazakhstani Tenge)</i>	Note	Six months ended	
		30 June 2024 (unaudited)	30 June 2023 (unaudited)
Cash flows from operating activities			
Interest received		12,717,211	15,292,573
Interest paid		(225,520)	(764,613)
Commission received		17,598,267	22,158,047
Commission paid		(42,761)	(68,061)
Cash inflows from other operating activities		121,717	79,677
Payroll costs paid		(2,287,647)	(1,981,162)
General and administrative expenses and expenses on the implementation of Fund programs paid		(2,084,319)	(2,035,785)
Income tax paid		(2,504,316)	(1,746,743)
Cash flows from operating activities before changes in operating assets and liabilities		23,292,632	30,933,933
<i>Net decrease/(increase) in:</i>			
- due from financial institutions		(25,272,622)	3,629,962
- loans and advances to customers		1,150,777	1,466,582
- other financial assets		(7,471,730)	(4,498,519)
- other assets		-	2,217,249
<i>Net increase/(decrease) in:</i>			
- other financial liabilities (liabilities under subsidy programs)		24,060,245	104,170,523
- other liabilities		555,844	(40,802)
Net cash from operating activities		16,315,146	137,878,928
Cash flows from investing activities			
Acquisition of debt securities		(3,075,000)	(29,252,202)
Proceeds from disposal and redemption of investment securities		1,363,816	11,709,185
Acquisition of premises and equipment		(38,721)	(7,562)
Acquisition of intangible assets		-	(18,306)
Proceeds from disposal of assets held for sale		380	4,802
Net cash used in investing activities		(1,749,525)	(17,564,083)
Cash flows from financing activities			
Proceeds from borrowed funds		4,390,000	1,700,000
Repayment of borrowed funds		(2,858,873)	(1,965,418)
Dividends paid		-	(13,416,382)
Long-term lease		(120,079)	(96,174)
Net cash from / (used in) used in financing activities		1,411,048	(13,777,974)
Effect of exchange rate changes on cash and cash equivalents		337	(244)
Effect of changes in impairment provision on cash and cash equivalents		10,994	(67,124)
Net increase in cash and cash equivalents		15,988,000	106,469,503
Cash and cash equivalents at the beginning of the period	6	124,974,982	182,037,345
Cash and cash equivalents at the end of the period		140,962,982	288,506,848

The notes set out on pages 5 to 38 form an integral part of these condensed interim financial information.

1 Introduction

This condensed interim financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" for the six months ended 30 June 2024 for "Damu" Entrepreneurship Development Fund JSC (the "Fund").

"Damu" Entrepreneurship Development Fund JSC (the "Fund") was established in accordance with a Decree of the Government of the Republic of Kazakhstan No. 665 dated 26 April 1997. The Fund is incorporated and domiciled in the Republic of Kazakhstan as a joint stock company and provides financial services as a development institution to support development of small and medium-sized enterprises.

As at 30 June 2024 and 31 December 2023, the Fund is under 100% ownership of the JSC "Baiterek" National Managing Holding (the "Sole Shareholder"). The Fund is ultimately controlled by the Government of the Republic of Kazakhstan. Information on transactions with related parties is disclosed in Note 23.

Principal activity

The main activity of the Fund is financing within lending programs through second-tier banks of microfinance organizations and leasing companies, subsidizing interest rates, guaranteeing, consulting support, dissemination of information and analytical materials. The Fund uses its own and borrowed funds to finance small and medium-sized entities throughout Kazakhstan.

The Fund has 20 regional branches. The Head office is located in Almaty, Kazakhstan.

Registered address and place of business

The Fund's registered address is: 111 Gogol Street, Almaty, Kazakhstan.

Presentation currency

This condensed interim financial information is presented in Kazakhstani Tenge, unless otherwise stated.

2 Operating Environment of the Fund

Republic of Kazakhstan

In general, the economy of the Republic of Kazakhstan continues to display characteristics of an emerging market. Its economy is particularly sensitive to prices on oil, gas and other minerals composing the main portion of the country's export. These characteristics include, but are not limited to, the existence of national currency that is not freely convertible outside of the country and a low level of liquidity of debt and equity securities in the markets. The continuing political tensions in the region, the exchange rate volatility have had and can continue to have a negative impact on the economy of the Republic of Kazakhstan, including a decrease in liquidity and difficulties in attracting international financing.

On 20 August 2015 the National Bank and the Government of the Republic of Kazakhstan made a resolution about discontinuation of supporting the exchange rate of Tenge and implementation of new monetary policy, which is based on inflation targeting regime, cancellation of exchange rate trading band and start of a free-floating exchange rate. However, the National Bank's exchange rate policy allows it to intervene to prevent dramatic fluctuations of the Tenge exchange rate and to ensure financial stability.

As at the date of this report, the official exchange rate of the National Bank of the Republic Kazakhstan was Tenge 473.95 per US Dollar 1, compared to Tenge 454.56 per US Dollar 1 as at 30 June 2024 (31 December 2023: Tenge 462.65 per US Dollar 1). Therefore, uncertainty remains in relation to exchange rate of Tenge and future action of National Bank and the Government of the Republic of Kazakhstan and the impact of these factors on the economy of the Republic of Kazakhstan.

In May 2024, the international rating agency Fitch Ratings confirmed Kazakhstan's sovereign rating at BBB with a stable outlook, this rating reflects strong fiscal and external balance sheets that are resilient to external shocks, as well as financing flexibility supported by accumulated savings from oil revenues. These strengths are countered by high commodity dependence, high inflation, which partly reflects less developed macroeconomic policies compared with BBB peers, and weak governance indicators. Crude oil and oil condensate continue to be the largest contributors to fiscal revenues and exports, with these exports accounting for 17% of GDP, which can expose the economy to external shocks. Efforts are being made to diversify the economy, which will take time to implement due to existing problems associated with the business environment and the lack of qualified personnel.

2 Operating Environment of the Fund (Continued)

Challenges posed by social tension resulted in domestic unrest in early 2022 and spillover from the Russia/Ukraine conflict and associated sanctions are balanced by high prices for key export commodities and the increase in oil production from 2024 when the Tengiz oil field's expansion starts to come onstream. According to the analysts' forecasts, the growth rate of the national economy in 2022-2025 will amount, on average, to about 3.6%.

The economic environment has a significant impact on the Fund's operations and financial position. Management is taking necessary measures to ensure sustainability of the Fund's operations. However, the future effects of the current economic situation are difficult to predict, and management's current expectations and estimates could differ from actual results.

The prospects for future economic stability in the Republic of Kazakhstan are largely dependent upon the effectiveness of economic measures undertaken by the Government, together with legal, controlling and political developments, which are beyond the Funds's control.

The long-term effects of the current economic environment are difficult to predict and management's current expectations and estimates may differ from actual results.

Environmental, Social Responsibility and Corporate Governance (ESG) Issues

The Fund, as a socially responsible organization that implements government comprehensive measures of financial support for entrepreneurship in Kazakhstan and its regions, as part of its activities is involved in solving environmental, social and corporate issues (Environmental, Social and Corporate Governance, ESG). The Foundation strives to actively support sustainable development initiatives by introducing best practices and improving its internal regulations in the field of corporate social responsibility, sustainable development, environmental, social and gender policies. The Fund has begun the process of implementing the new IFRS S1 and S2 standards and expects to implement a phased approach to disclose all material sustainability and climate-related risks and opportunities that may affect the Fund's cash flows, ability to secure financing or cost of capital. In accordance with the policy of the Fund in the field of sustainable development, the Fund is actively working to prepare approvals of internal regulatory documents, such as an action plan in the field of sustainable development for 2024 - 2026, approval of target values of indicators for assessing the effectiveness of activities in the field of sustainable development for 2024, and development of a methodology for calculating greenhouse gas emissions (impacts 1, 2, 3).

3 Summary of Significant Accounting Policies

Basis of preparation

This condensed interim financial information has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" and should be read in conjunction with the annual financial statements of the Fund for the year ended 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Except as described below, the same accounting policies and methods of computation were followed in the preparation of this condensed interim financial information as disclosed in the annual financial statements for the year ended 31 December 2023.

Interim period tax measurement

Interim period income tax expense is accrued using the effective tax rate that would be applicable to expected total annual earnings, that is, the estimated weighted average annual effective income tax rate applied to the pre-tax income of the interim period.

Changes in presentation of financial statements

Where necessary, comparative figures have been adjusted to be consistent with the presentation of current year results.

4 Adoption of New and Revised Standards

The following amended standards and interpretations became effective for the Fund from 1 January 2024:

- Amendments to IFRS 16 Leases: Lease Liabilities on Sale and Leaseback (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024).

- Classification of liabilities as current or non-current – amendments to IAS 1 (originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022 are effective for annual periods beginning on or after 1 January 2024 this date).
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Financial Arrangements with Suppliers (issued on 25 May 2023 and effective for annual periods beginning on or after 1 January 2024 this date).

These new standards and interpretations did not have a significant impact on the Fund's financial statements.

4 Adoption of New and Revised Standards (Continued)

A number of new standards and interpretations have been published that are mandatory for annual periods beginning on or after 1 January 2025, and which the Fund has not yet adopted early.

- Amendments to IAS 21 Non-Exchangeability (issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025).
- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026).
- IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027).

The Fund is currently assessing the impact of the amendments on its financial statements.

5 Critical Accounting Estimates, and Judgements in Applying Accounting Policies

Estimates and judgements were revised and updated compared with those made in the annual financial statements for the year ended 31 December 2023 in order to disclose the recent changes in the economic environment.

ECL measurement

Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs consistent with those at 31 December 2023, but updated baseline as of 30 June 2024 applies. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as models of macro-economic scenarios. The Fund regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience. For information on methodology on expected credit losses refer to Note 21.

Sensitivity analysis for due from financial institutions

A 10% increase or decrease in PD estimates would result in an increase or decrease in total expected credit loss allowances of Tenge 66,165 thousand at 30 June 2024 (31 December 2023: Tenge 418,382 thousand).

Significant increase in credit risk ("SICR")

In order to determine whether there has been a significant increase in credit risk, the Fund compares the risk of a default occurring over the life of a financial instrument at the end of the reporting date with the risk of default at the date of initial recognition. The assessment considers relative increase in credit risk rather than achieving a specific level of credit risk at the end of the reporting period. The Fund considers all reasonable and supportable forward-looking information available without undue cost and effort, which includes a range of factors, including behavioural aspects of particular customer portfolios. The Fund identifies behavioural indicators of increases in credit risk prior to delinquency and incorporated appropriate forward-looking information into the credit risk assessment, either at an individual instrument, or on a portfolio level (Note 21).

If ECL on all funds at financial institutions were measured as lifetime ECL (i.e. including those currently in Stage 1 and measured as 12-month ECL), the allowance for expected credit losses as at 30 June 2024 would have been Tenge 4,467,285 thousand more (31 December 2023: Tenge 1,972,935 thousand more).

The Fund reviewed the examples provided in the standard and concluded that characteristics arising solely from legislation that are not included in the text of the contract (such as debt-to-equity conversion provisions in some countries), i.e. in the event of a change in legislation these characteristics will no longer be applicable, should not be taken into account when assessing the eligibility of cash flows for payments of principal and interest only.

5 Critical Accounting Estimates, and Judgements in Applying Accounting Policies (Continued)

Accounting for issued guarantees

Within the framework of programs to support small and medium-sized businesses, the Fund provides guarantees to small and medium-sized businesses covering up to 85% of the loan amount. As at 30 June 2024, the amount of guarantees issued was Tenge 399,184,431 thousand (31 December 2023: Tenge 402,145,305 thousand). To calculate expected credit losses on financial guarantees, the Fund determines the probability of default using migration matrices based on the number of days past due. When compiling migration matrices, the Fund takes into account the industries in which borrowers who have received the Fund's guarantees operate and correlates default risks in these industries with macroeconomic indicators. The Fund uses the following macroeconomic indicators in this analysis:

- Brent oil price;
- USD/KZT exchange rate;
- Inflation rate;
- Unemployment rate;
- GDP growth.

As at 30 June 2024, expected credit losses on guarantees issued to small and medium-sized businesses amounted to Tenge 20,864,502 thousand (31 December 2023: Tenge 23,811,092 thousand).

Initial recognition of financial assets at rates below market and transactions with related parties

The Fund recognized a net loss on initial recognition of amounts due from financial institutions at rates below market in the amount of Tenge 8,420,847 thousand (30 June 2023: nil). The nominal rate of these loans is 2%, the market rate according to the Fund's assessment was 14.79%-15.19% (June 30, 2023: nil). See notes 7 and 21. In assessing the fair value of loans issued to banks, the Fund's management used the specific credit risks of each bank based on its credit rating.

In February 2024, the Fund placed funds in a commercial bank in the amount of 50,000,000 thousand tenge by decision of the sole shareholder with a maturity of 3 years. Management calculated the market rate for this loan at 13.78%, taking into account currency risk, deposit life and credit risk. At the date of initial recognition, the Fund determined the fair value in the amount equal to Tenge 47,391,449 thousand. Management of the Fund analysed all the requirements of IAS 20 and SIC 10 and came to the conclusion that there is no certain relationship with the operating activities of the Fund. Therefore, the difference between the fair value of the loan and the cash received essentially represents an outflow of capital. Accordingly, the Fund recognized it along with deferred tax in equity in the amount of Tenge 2,086,841 thousand as a transaction with shareholders.

6 Cash and Cash Equivalents

In thousands of Kazakhstani Tenge	30 June 2024 (Unaudited)	31 December 2023
Balances on demand accounts with the Ministry of Finance of the Republic of Kazakhstan (MF RK)	84,064,985	55,586,431
Reverse sale and repurchase agreements (REPO) with other banks with original maturities of less than three months	37,907,621	42,417,787
Account balances with the State National Bank of the Republic of Kazakhstan (NB RK)	10,310,231	23,907,543
Balances on demand accounts in commercial banks	8,680,585	3,038,790
NB RK notes with a maturity of less than three months	-	35,865
Less allowance for credit losses	(440)	(11,434)
Total cash and cash equivalents	140,962,982	124,974,982

Bank account balances on demand contain funds received to subsidize small and medium-sized businesses (Note 11).

6 Cash and Cash Equivalents (Continued)

An analysis of cash and cash equivalents for credit quality as at 30 June 2024 is as follows:

<i>(In thousands of Kazakhstani Tenge)</i>	Bank balances on demand	Cash balances with the NBRK	Reverse REPO	Total
<i>Neither past due nor impaired</i>				
- NB RK	-	10,310,231	-	10,310,231
- MF RK	84,064,985	-	-	84,064,985
- BBB- to BBB+ rated	4,130,001	-	37,907,621	42,037,622
- BB- to BB+ rated	4,476,403	-	-	4,476,403
- B- to B+ rated	73,069	-	-	73,069
- Unrated	1,112	-	-	1,112
Total cash and cash equivalents before credit loss allowance (unaudited)	92,745,570	10,310,231	37,907,621	140,963,422

The credit quality of reverse REPO based on ratings of securities, which provided as collateral.

An analysis of cash and cash equivalents for credit quality as at 31 December 2023 is as follows:

<i>(In thousands of Kazakhstani Tenge)</i>	Current accounts	Cash balances with the NBRK	Reverse REPO	Note NB RK	Total
<i>Neither past due nor impaired</i>					
- NB RK	-	23,907,543	-	35,865	23,943,408
- MF RK	55,586,431	-	-	-	55,586,431
- BBB- to BBB+ rated	1,824,249	-	42,417,787	-	44,242,036
- BB- to BB+ rated	1,185,386	-	-	-	1,185,386
- B- to B+ rated	21,799	-	-	-	21,799
- Unrated	7,356	-	-	-	7,356
Total cash and cash equivalents, excluding cash on hand	58,625,221	23,907,543	42,417,787	35,865	124,986,416

The credit ratings are based on Standard & Poor's ratings, where available, or Moody's rating converted to the nearest equivalent on the Standard & Poor's rating scale.

Cash and cash equivalents with unrated credit rating represent cash balances designated for subsidisation of Small and Medium Entrepreneurship placed in commercial banks. The management of the Fund created credit loss allowance according to IFRS 9. Information about related party transactions is provided in Note 23.

Cash and cash equivalents are classified as Stage 1 for the purpose of calculating expected credit losses and, accordingly, there are no significant increases in credit risk or default factors.

7 Due from Financial Institutions

<i>In thousands of Kazakhstani Tenge</i>	30 June 2024 (Unaudited)	31 December 2023
Loans given to financial institutions	205,816,241	184,486,192
Placements with other banks with original maturities of more than three months	57,373,081	60,081,304
Debt securities of financial institutions	29,997,868	29,793,560
Loans given in the framework of the Islamic financing programs	16,125,082	15,952,054
Less allowance for credit losses	(6,195,530)	(6,274,025)
Total due from financial institutions	303,116,742	284,039,085

Below is an analysis of due from financial institutions by credit quality as at 30 June 2024:

<i>In thousands of Kazakhstani Tenge</i>	Loans given to financial institutions	Loans given in the framework of the Islamic financing programs	Placements with other banks with original maturities of more than three months	Debt securities of financial institutions	Total
<i>Neither past due nor impaired</i>					
- AAA rated	-	-	23,819,305	-	23,819,305
- BBB- to BBB+ rated	55,805,524	10,677,963	-	9,201,657	75,685,144
- BB- to BB+ rated	113,838,694	-	6,178,563	48,171,424	168,188,681
- B- to B+ rated	26,291,009	-	-	-	26,291,009
<i>Internal valuation of the Fund</i>					
- Good	3,793,287	-	-	-	3,793,287
- Satisfactory	5,848,619	3,619,065	-	-	9,467,684
Total neither past due nor impaired(gross)	205,577,133	14,297,028	29,997,868	57,373,081	307,245,110
<i>Balances individually determined to be impaired</i>					
from 91 to 180 days	-	455,117	-	-	455,117
above 360 days overdue	239,108	1,372,937	-	-	1,612,045
Total individually impaired (gross)	239,108	1,828,054	-	-	2,067,162
Less Credit loss allowance	(6,005,020)	(22,490)	(2,184)	(165,836)	(6,195,530)
Total due from financial institutions	199,811,221	16,102,592	29,995,684	57,207,245	303,116,742

7 Due from Financial Institutions (Continued)

Analysis by credit quality of due from financial institutions accounts at 31 December 2023 is as follows:

<i>In thousands of Kazakhstani Tenge</i>	Loans given to financial institutions	Loans given in the framework of the Islamic financing programs	Placements with other banks with original maturities of more than three months	Debt securities of financial institutions	Total
<i>Neither past due nor impaired</i>					
- AAA rated	-	-	-	23,824,250	23,824,250
- BBB- to BBB+ rated	47,604,817	10,481,125	10,053,906	-	68,139,848
- BB- to BB+ rated	99,245,328	-	50,027,398	5,969,310	155,242,036
- B- to B+ rated	28,015,582	-	-	-	28,015,582
<i>Internal valuation of the Fund</i>					
- Excellent level	332,101	-	-	-	332,101
- Good	5,785,903	4,097,992	-	-	9,883,895
- Satisfactory	3,263,353	-	-	-	3,263,353
Total neither past due nor impaired(gross)	184,247,084	14,579,117	60,081,304	29,793,560	288,701,065
<i>Balances individually determined to be impaired</i>					
<i>Overdue</i>					
from 91 to 180 days	-	415,266	-	-	415,266
from 181 to 360 days	-	309,299	-	-	309,299
above 360 days overdue	239,108	648,372	-	-	887,480
Total individually impaired (gross)	239,108	1,372,937	-	-	1,612,045
Less Credit loss allowance	(6,033,859)	(56,721)	(181,357)	(2,088)	(6,274,025)
Total due from financial institutions	178,452,333	15,895,333	59,899,947	29,791,472	284,039,085

The credit rating is based on Standard & Poor's (if any) or Moody's, which is converted to the nearest Standard & Poor's equivalent. As at 30 June 2024 and 31 December 2023, amounts due from unrated financial institutions represented loans to microfinance institutions and leasing companies.

As at 30 June 2024, the Fund had 7 counterparty banks (2023: 5 banks) with aggregate balances due from financial institutions in excess of Tenge 10,000,000 thousand. The total aggregate amount of these due from financial institutions was Tenge 262,140,623 thousand (2023: Tenge 187,520,424 thousand) or 98% of the total due from other banks (2023: 92%).

The main factor that the Fund takes into account when considering the impairment of funds issued to financial institutions is its past due status, as well as changes in its credit rating. Based on this, the Fund presents above a aging analysis of funds issued to financial institutions that are individually determined to be impaired.

During the first half of 2024, there were no recoveries of reserves for previously liquidated banks, the obligations of which were written off to off-system accounting (the first half of 2023: there were no recoveries of reserves for previously liquidated banks, the obligations of which were written off to off-system accounting).

See Note 22 for fair value measurements of each category of amounts due from financial institutions. Information on transactions with related parties is disclosed in Note 23.

7 Due from Financial Institutions (Continued)

The changes in the allowance for credit losses and the gross carrying amount of deposits with banks that occurred between the beginning and the end of the reporting period are as follows:

<i>(In thousands of Kazakhstani Tenge)</i>	Credit loss allowance		Gross carrying amount	
	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total
Bank deposits				
As at 1 January 2024	(181,357)	(181,357)	60,081,304	60,081,304
Changes affecting deductions to the allowance for credit losses for the period:				
Newly created or acquired	(165,743)	(165,743)	78,527,855	78,527,855
Derecognised during the period	181,267	181,267	(81,475,816)	(81,475,816)
Discount amortisation	-	-	238,992	238,992
Total movements with impact on credit loss allowance charge for the period	15,524	15,524	(2,708,969)	(2,708,969)
Movements without impact on credit loss allowance charge for the period:				
Foreign exchange translation and other movements	(3)	(3)	746	746
As at 30 June 2024	(165,836)	(165,836)	57,373,081	57,373,081

The table below explains the changes in the credit loss allowance and the gross carrying amount of deposits with banks between the beginning and the end of the previous reporting period:

<i>(In thousands of Kazakhstani Tenge)</i>	Credit loss allowance		Gross carrying amount	
	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total
Bank deposits				
As at 1 January 2023	(4,966,052)	(4,966,052)	50,090,033	50,090,033
Changes affecting deductions to the allowance for credit losses for the period:				
Newly created or acquired	4,802,372	4,802,372	35,810	35,810
Derecognised during the period	-	-	(2,191,917)	(2,191,917)
Total movements with impact on credit loss allowance charge for the period	4,802,372	4,802,372	(2,156,107)	(2,156,107)
Movements without impact on credit loss allowance charge for the period:				
Foreign exchange translation and other movements	4	4	2,103,469	2,103,469
As at 30 June 2023	(163,676)	(163,676)	50,037,395	50,037,395

The recovery of expected credit losses on deposits in banks is due to an increase in the quality of credit risk. In particular, in June 2023, a subsidiary of the Baiterek holding, Bereke Bank, received a long-term rating of "BB" with a stable outlook from the international agency Fitch. This fact led to the recovery of expected credit losses for the period ended 30 June 2023.

Damu Entrepreneurship Development Fund JSC
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7 Due from Financial Institutions (Continued)

The changes in the allowance for credit losses and the gross carrying amount of loans issued to financial institutions that occurred between the beginning and the end of the reporting period:

	Credit loss allowance			Gross carrying amount				
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
<i>(In thousands of Kazakhstani Tenge)</i>								
Loans to financial institutions								
As at 1 January 2024	(1,688,817)	(4,082,613)	(262,429)	(6,033,859)	170,164,779	13,308,456	1,012,957	184,486,192
<i>Changes affecting deductions to the allowance for credit losses for the period:</i>								
- in 12-month expected credit losses (from Stage 2 and Stage 3 to Stage 1)	(536,262)	531,509	4,753	-	3,884,065	(3,481,779)	(402,286)	-
New originated or purchased	(595,718)	-	-	(595,718)	22,459,982	-	-	22,459,982
Derecognition during the period	69,732	-	18,568	88,300	(3,234,994)	-	(714,459)	(3,949,453)
Amortisation of discount	511,637	24,620	-	536,257	2,183,064	293,560	342,896	2,819,520
As at 30 June 2024	(2,239,428)	(3,526,484)	(239,108)	(6,005,020)	195,456,896	10,120,237	239,108	205,816,241

Stage 3 derecognition is due to repayment from one bank.

Damu Entrepreneurship Development Fund JSC
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7 Due from Financial Institutions (Continued)

The changes in the estimated allowance for credit losses and the gross carrying amount of loans issued to financial institutions that occurred in the interval between the beginning and the end of the previous reporting period.

	Credit loss allowance			Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
<i>(In thousands of Kazakhstani Tenge)</i>							
Loans to financial institutions							
As at 1 January 2023	(2,702,193)	(4,461,367)	(315,930)	145,508,676	13,986,751	1,946,494	161,441,921
<i>Changes affecting deductions to the allowance for credit losses for the period:</i>							
New originated or purchased	(204,959)	-	-	11,087,640	-	-	11,087,640
Derecognition during the period	533,035	47,126	27,421	(13,060,599)	(255,312)	(1,036,971)	(14,352,882)
Changes in assumptions of the expected credit loss assessment model	449,017	128,575	-	-	-	-	-
Amortisation of discount	(212)	(44)	314	2,180,166	262,010	462,923	2,905,099
As at 30 June 2023	(1,925,312)	(4,285,710)	(288,195)	145,715,883	13,993,449	1,372,446	161,081,778

7 Due from Financial Institutions (Continued)

The table below explains the changes in the allowance for loan losses and the gross carrying amount of loans issued under Islamic finance programs that occurred between the beginning and the end of reporting period.

	Credit loss allowance		Gross carrying amount	
	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total
<i>(In thousands of Kazakhstani Tenge)</i>				
Loans given in the framework of Islamic financing programs				
At 1 January 2024	(56,721)	(56,721)	15,952,054	15,952,054
<i>Changes affecting on the allowance for credit losses for the period:</i>				
Changes in assumptions of the expected credit loss assessment model	34,231	34,231	173,028	173,028
At 30 June 2024	(22,490)	(22,490)	16,125,082	16,125,082

The table below explains the changes in the allowance for loan losses and the gross carrying amount of loans issued under Islamic finance programs that occurred between the beginning and the end of the previous reporting period.

	Credit loss allowance		Gross carrying amount	
	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total
<i>(In thousands of Kazakhstani Tenge)</i>				
Loans given in the framework of Islamic financing programs				
At 1 January 2023	(196,882)	(196,882)	16,053,869	16,053,869
<i>Changes affecting on the allowance for credit losses for the period:</i>				
Derecognition during the period	289,703	289,703	(120,265)	(120,265)
Changes in assumptions of the expected credit loss assessment model	(119,161)	(119,161)	-	-
At 30 June 2023	(26,340)	(26,340)	15,933,604	15,933,604

The table below discloses financial institution debt securities as of June 30, 2024 by category and valuation class.

	Debt securities measured at fair value through other comprehensive income	Debt securities measured at amortized cost	Total
	<i>(In thousands of Kazakhstani Tenge)</i>		
Bonds of international financial organizations	-	23,819,305	23,819,305
Corporate bonds	611,746	5,566,817	6,178,563
Total investment in debt securities at 31 December 2023 (fair value or gross carrying amount)	611,746	29,386,122	29,997,868
Allowance for credit losses	(2,184)	-	(2,184)
Total investments in debt securities as of December 31, 2023 (carrying amount)	609,562	29,386,122	29,995,684

7 Due from Financial Institutions (Continued)

The table below discloses financial institution debt securities as of 31 December 2023 by category and valuation class.

<i>(In thousands of Kazakhstani Tenge)</i>	Debt securities measured at fair value through other comprehensive income	Debt securities measured at amortized cost	Total
Bonds of international financial organizations	-	23,819,305	23,824,250
Corporate bonds	586,876	5,566,817	5,971,398
Total investment in debt securities at 31 December 2023 (fair value or gross carrying amount)	586,876	29,208,772	29,795,648
Allowance for credit losses	(2,084)	-	(2,084)
Total investments in debt securities as of December 31, 2023 (carrying amount)	584,788	29,208,772	29,793,560

Debt securities of financial institutions measured at fair value through other comprehensive income and amortized cost are unsecured. During the first half of 2024 and 2023 there were no significant increases in credit risk or indicators of default, and provisions were calculated equal to 12-month expected credit losses, except for corporate debt securities measured at amortized cost.

Due to the absence of material changes, changes in the allowance for credit losses and the gross carrying amount of financial institution debt securities are not material.

8 Investments in Debt Securities

<i>(In thousands of Kazakhstani Tenge)</i>	30 June 2024 (Unaudited)	31 December 2023
Debt securities at fair value through other comprehensive income (FVOCI)	6,730,021	4,795,765
Debt securities at amortised cost	823,790	822,838
Debt securities designated as at fair value through profit or loss (FVTPL) at initial recognition	71,101	73,518
Total investments in debt securities	7,624,912	5,692,121

The table below discloses investments in debt securities at 30 June 2024 by measurement categories and classes:

<i>(In thousands of Kazakhstani Tenge)</i>	Debt securities designated as at FVTPL at initial recognition	Debt securities at FVOCI	Debt securities at AC	Total
Kazakhstani government bonds	71,101	3,250,295	-	3,321,396
Corporate bonds	-	3,479,726	-	3,479,726
Other corporate bonds	-	-	833,340	833,340
Total investment in debt securities as of 30 June 2024 (fair value or gross carrying amount)	71,101	6,730,021	833,340	7,634,462
Credit loss allowance	-	-	(9,550)	(9,550)
Total investment in debt securities as of 30 June 2024 (book value)	71,101	6,730,021	823,790	7,624,912

8 Investments in Debt Securities (Continued)

The table below discloses investments in debt securities at 31 December 2023 by measurement categories and classes:

<i>(In thousands of Kazakhstani Tenge)</i>	Debt securities designated as at FVTPL at initial recognition	Debt securities at FVOCI	Debt securities at AC	Total
Kazakhstan government bonds	73,518	1,433,741	-	1,507,259
Corporate bonds	-	3,362,024	-	3,362,024
Bonds of international financial organizations	-	-	-	-
Bonds of other corporate issuers	-	-	832,377	832,377
Total investments in debt securities at 31 December 2023 (fair value or gross carrying value)	73,518	4,795,765	832,377	5,701,660
Credit loss allowance	-	-	(9,539)	(9,539)
Total investments in debt securities at 31 December 2023 (carrying value)	73,518	4,795,765	822,838	5,692,121

(a) Investments in debt securities measured at fair value through other comprehensive income

The table below provides an analysis of the credit risk of debt securities measured at fair value through other comprehensive income as of 30 June 2024, for which an allowance for expected credit losses is recognized based on credit risk levels.

<i>In thousands of Kazakhstani Tenge</i>	Stage 1 (12 months ECL)	Total
Kazakhstan government bonds		
- BBB- to BBB+ rated	3,266,818	3,266,818
Corporate bonds		
- BBB- to BBB+ rated	3,763,644	3,763,644
Total gross carrying amount of assets measured at fair value through other comprehensive income at 30 June 2024	7,030,462	7,030,462
Less fair value adjustment from amortized cost to fair value	(300,441)	(300,441)
Carrying amount (fair value) at 30 June 2024	6,730,021	6,730,021

The table below provides an analysis of credit risk for debt securities measured at fair value through other comprehensive income at 31 December 2023, for which an allowance for expected credit losses is recognized based on credit risk levels.

<i>In thousands of Kazakhstani Tenge</i>	Stage 1 (12 months ECL)	Total
Kazakhstan government bonds		
- BBB- to BBB+ rated	1,439,976	1,439,976
Corporate bonds		
- BBB- to BBB+ rated	3,624,465	3,624,464
Total gross carrying amount of assets measured at fair value through other comprehensive income at 31 December 2023	5,064,441	5,064,440
Less fair value adjustment from amortized cost to fair value	(268,675)	(268,675)
Carrying amount (fair value) at 31 December 2023	4,795,765	4,795,765

8 Investments in Debt Securities (Continued)

Debt securities measured at fair value through other comprehensive income are unsecured.

During 6 months of 2024 and during 2023 there were no significant increases in credit risk and default indicators and provisions were calculated equal to 12-month expected credit losses

(b) Investments in debt securities at AC

The carrying amounts of debt securities measured at amortized cost as of June 30, 2024 also reflect the Fund's maximum exposure to credit risk for those assets. As of 30 June 2024, debt securities measured at amortized cost included bonds of corporate issuers with credit ratings ranging from BB- to BB+ (31 December 2023: debt securities measured at amortized cost included bonds corporate issuers with a credit rating from B- to B+). Due to the absence of material changes, changes in the allowance for credit losses and the gross carrying amount of financial institution debt securities are not material.

9 Other Assets

In thousands of Kazakhstani Tenge	30 June 2024 (unaudited)	31 December 2023
Accounts receivable for guarantee services	3,736,661	182,596
Less Credit loss allowance	(167,896)	(112,585)
Total other financial assets within other assets	3,568,765	70,011
Services prepaid	210,194	368,705
Taxes other than on income	59,977	171,516
Supplies	47,858	71,679
Repossessed collateral	16,949	382,128
Other	48,052	58,571
Less Provision for impairment	(47,234)	(47,099)
Total other assets	3,904,561	1,075,511

Collateral received for non-payment represents real estate received by the Fund in settling overdue loans. The Fund expects to dispose of these assets in the foreseeable future.

Information on the fair value of each class of other financial assets is disclosed in Note 22. Information on transactions with related parties is disclosed in Note 23.

10 Borrowed Funds

In thousands of Kazakhstani Tenge	30 June 2024 (unaudited)	31 December 2023
Baiterek NMH JSC (6.57% - 10.65%)	112,580,987	109,095,786
Municipal authorities (LEA) (0.01% - 1%)	39,827,386	38,296,326
JSC Transnational Company Kazchrome (0,1%)	500,167	500,167
Ministry of Finance of Republic of Kazakhstan (0%)	394,053	379,927
Total borrowed funds	153,302,593	148,272,206

10 Borrowed Funds (Continued)

The table below shows the changes in the Fund's liabilities arising from financial activities for each period presented. Debt items are reflected in the statement of cash flows as financial activities.

<i>(In thousands of Kazakhstani Tenge)</i>	Baiterek NMH JSC	LEA, NWF Samruk- Kazyna JSC, MoF RK	Other loans	Debt securities issued	Financial lease	Total
Liabilities under financial activities at 1 January 2023	102,446,602	65,527,773	-	1,244,178	199,046	169,417,599
Cash flow	(158,000)	(1,300,781)	500,000	(71,250)	(96,174)	(1,126,205)
Exchange rate adjustments	-	(8,475)	-	-	-	(8,475)
Other changes not related to cash flows	3,398,343	534,942	157	71,250	28,365	4,033,057
Liabilities under financial activities at 30 June 2023	105,686,945	64,753,459	500,157	1,244,178	131,237	172,315,976
Liabilities under financial activities at 1 January 2024	109,095,786	38,676,253	500,167	1,035,039	3,083	149,310,328
Cash flow	(158,000)	1,523,357	(250)	(59,500)	(120,079)	1,185,528
Exchange rate adjustments	-	14,125	-	-	-	14,125
Other changes not related to cash flows	3,643,201	7,704	250	49,583	769,146	4,469,884
Liabilities under financial activities at 30 June 2024	112,580,987	40,221,439	500,167	1,025,122	652,150	154,979,865

Information on the fair value measurements of each category of other borrowed funds is disclosed in Note 22. Information on transactions with related parties is presented in Note 23.

11 Liabilities on Subsidy Programs

<i>(In thousands of Kazakhstani Tenge)</i>	30 June 2024 (unaudited)	31 December 2023
Municipal authorities	14,643,712	210,372
Banks	8,864,990	2,762,063
Total liabilities on subsidy programs	23,508,702	2,972,435

Obligations for subsidy programs represent funds received from local executive bodies, the republican budget from the Ministry of National Economy of the Republic of Kazakhstan, and the United Nations Development Program in the Republic of Kazakhstan." The subsidy amounts are then transferred to second-tier banks, incl. and to their regional branches as payment for the subsidized part of the interest rate on loans from second-tier banks in accordance with the Joint Order of the Ministries "On approval of rules, forms of state financial support, sectors of the economy in which private business entities subject to state support operate", registered in Register of state registration of normative legal acts under No. 33681 dated 27 November 2023.

The increase in obligations to municipal authorities is associated with the Fund receiving funds from the Ministry of National Economy of the Republic of Kazakhstan for the further provision of subsidies to small and medium-sized businesses during 2024.

Information on the measurement of the fair value of obligations under subsidy programs is disclosed in Note 22. Information on transactions with related parties is provided in Note 23.

12 Deferred Income and Provision for Credit Related Commitments

<i>(In thousands of Kazakhstani Tenge)</i>	Note	30 June 2024 (unaudited)	31 December 2023
Deferred income from financial guarantees		52,524,619	44,555,056
Financial guarantees (reserve for credit related commitments)	20	20,864,502	23,838,692
Total deferred income and provision for credit related commitments		73,389,121	68,393,748

Damu Fund guarantees are guarantees issued by the Fund to secure the fulfillment of obligations of private entrepreneurs to pay part of the principal debt under a loan agreement / financial leasing agreement to second-tier banks/microfinance organizations / leasing companies arising from guarantee agreements, within the amount of the guarantee, as part of the implementation of the following guarantee programs: The mechanism for lending and financial leasing of priority projects, approved by the Decree of the Government of the Republic of Kazakhstan dated 11 December 2018 No. 820, the Damu-Optima Guarantee Program, approved by the decision of the Fund's Board dated 22 January 2018 Protocol No. 05 / 2018, the National Project for the Development of Entrepreneurship for 2021-2025, approved by the Decree of the Government of the Republic of Kazakhstan dated 12 October 2021 No. 728, and the State Program for the Development of Productive Employment and Mass Entrepreneurship for 2017-2021 "Enbek", approved by the Decree of the Government of the Republic of Kazakhstan No. 746 of 13 November 2018).

Within the framework of state programs, the Fund is a financial agent between the program coordinator and a private business entity. Program coordinators pay a guaranteed issuance fee to the Fund, depending on the guarantee program. The resulting commission value is deferred to income on a straight-line basis over the life of the issued guarantee.

Advances received for the issuance of financial guarantees represent mainly advances received by the Fund from the Ministry of National Economy of the Republic of Kazakhstan, aimed at providing guarantees by the Fund to small and medium-sized businesses. Additional information on guarantee programs is provided in Note 20.

Critical estimates and judgments regarding the accounting for deferred income and provisions for credit related commitments are presented in Note 5. Information about the fair value of deferred income and provision for credit related commitments is disclosed in Note 22. Information on transactions with related parties is provided in Note 23.

13 Other Liabilities

<i>(In thousands of Kazakhstani Tenge)</i>	30 June 2024 (unaudited)	31 December 2023
Dividends payable	27,014,412	-
Finance lease	652,150	3,083
Accounts payable	256,599	158,550
Accrued liabilities and other creditors	127,870	132,539
Total financial liabilities within other liabilities	28,051,031	294,172
Taxes payable other than income tax	108,921	150,651
Reserves for unused vacation	106,953	183,463
Advances received	85,796	66,473
Accrued employee benefit costs	4,083	194,739
Other	2,590	367
Total other liabilities	28,359,374	889,865

14 Share Capital

<i>In thousands of Kazakhstani Tenge except for number of shares</i>	Number of outstanding shares (in thousands)	Ordinary shares	Total
At 1 January 2023	27,762	102,920,273	102,920,273
New shares issued	-	-	-
At 30 June 2023	27,762	102,920,273	102,920,273
At 31 December 2023	27,762	102,920,273	102,920,273
New shares issued	-	-	-
At 30 June 2024	27,762	102,920,273	102,920,273

On 12 June 2024, at the meeting of the Sole Shareholder, the Fund declared dividends for the year ended 31 December 2023, in the total amount of Tenge 27,014,412 thousand. The entire amount of dividends will be paid to the Sole Shareholder within 90 days from the date of the decision of the Sole Shareholder of the Fund.

On 10 May 2023, at the meeting of the Sole Shareholder, the Fund declared dividends for the year ended 31 December 2022, for a total amount of 13,416,382 thousand tenge. The entire amount of dividends was paid to the Sole Shareholder on 31 May 2023.

15 Interest Income and Expense

<i>(In thousands of Kazakhstani Tenge)</i>	Six months ended 30 June		Three months ended 30 June	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
Interest income calculated using effective interest rate method				
Due from financial institutions	15,037,317	9,728,624	7,892,376	4,863,918
Cash and cash equivalents	2,984,088	8,438,419	1,363,310	4,270,352
Investment securities at fair value through other comprehensive income	250,015	560,746	122,550	368,880
Loans and advances to customers	183,633	314,246	77,453	55,762
Investment securities at AC	36,964	36,697	18,383	105,084
Total interest income	18,492,017	19,078,732	9,474,072	9,663,996
Other similar income				
Investment securities at fair value through profit or loss	3,402	3,442	1,730	1,722
Total other similar income	3,402	3,442	1,730	1,722
Interest expense				
Borrowed funds	(3,651,155)	(3,933,442)	(1,839,906)	(1,989,312)
Debt securities issued	(49,583)	(71,250)	(19,833)	(35,625)
Expenses for the repayment of finance lease interest	(31,171)	(7,354)	(14,971)	(3,240)
Total interest expense	(3,731,909)	(4,012,046)	(1,874,710)	(2,028,177)
Net interest income	14,763,510	15,070,128	7,601,092	7,637,541

Interest income for six months ended 30 June 2024 includes interest income in the amount of Tenge 2,949,946 thousand (six months ended 30 June 2023: Tenge 1,910,853 thousand) interest income from unwinding of discount on loans given at rates below the market and interest income in the amount of Tenge 411,570 thousand (six months ended 30 June 2023: Tenge 564,697 thousand) interest income from unwinding of discount on investments in debt securities.

15 Interest Income and Expense (Continued)

Interest income for three months ended 30 June 2024 includes interest income in the amount of Tenge 1,489,043 thousand (three months ended 30 June 2023: Tenge 965,854 thousand) interest income from unwinding of discount on loans given at rates below the market and interest income in the amount of Tenge 189,617 thousand (six months ended 30 June 2023: Tenge 330,204 thousand) interest income from unwinding of discount on investments in debt securities.

During six months ended 30 June 2024, the Fund was withheld corporate income tax at source in the amount of Tenge 1,255,854 thousand (six months ended 30 June 2023: Tenge 1,058,522 thousand) from interest received by the Fund.

Interest expense for the six months ended 30 June 2024 includes interest expense in the amount of Tenge 3,200,307 thousand (six months ended 30 June 2023: Tenge 2,984,632 thousand) from unwinding of discount on loans received at below market rates. Interest expense for the three months ended 30 June 2024 includes interest expense in the amount of Tenge 1,612,819 thousand (three months ended 30 June 2023: Tenge 1,512,565 thousand) from unwinding of discount on loans received at below market rates.

16 Fee and Commission Income, net

<i>(In thousands of Kazakhstani Tenge)</i>	Six months ended 30 June		Three months ended 30 June	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
Guarantees issued	13,789,429	14,260,276	6,910,891	7,104,798
Financial Agent Services	349,556	360,361	349,556	360,361
Total fee and commission income	14,138,985	14,620,637	7,260,447	7,465,159

Fee and commission income consists of income from issued guarantees (Note 12), subsidising services for the State Institution of the Ministry of National Economy of the Republic of Kazakhstan, as an operator and financial agent (Note 11), and support services for start-up entrepreneurs under the National Entrepreneurship Development Project for 2021-2025 and the Priority Project Lending Facility.

17 Net loss on Initial Recognition of Assets at Below Market Rates

The Fund recognized a net loss on initial recognition of amounts due from financial institutions at rates below market in the amount of Tenge 8,420,847 thousand (30 June 2023: nil). The nominal rate of these loans is 2%, the market rate according to the Fund's assessment was 14.79%-15.19% (June 30, 2023: nil). When assessing the fair value of loans issued to banks, the Fund's management used the specific credit risks of each bank based on its credit rating.

18 Income Taxes

Income tax expense recorded in profit or loss for the period comprises the following:

<i>(In thousands of Kazakhstani Tenge)</i>	Six months ended 30 June		Three months ended 30 June	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
Current income tax expense	(2,971,219)	(5,098,621)	(2,342,302)	(2,929,456)
Deferred income tax expense/(benefit)	291,084	(2,239,002)	1,656,209	(1,286,438)
Income tax expense for the period	(2,680,135)	(7,337,623)	(686,093)	4,215,894

19 Segment Analysis

Operating segments are components that engage in business activities and may generate revenue or may incur expenses, the operating results of the segments are reviewed regularly by the chief operating decision maker, and separate financial information is available for operating segments. The functions of the manager responsible for operational decisions are performed by the Fund's Board.

(a) Description of products and services from which each reportable segment derives its revenue

The Fund is organised on the basis of two main business segments:

- Project operation – this segment includes cash at the National Bank of Kazakhstan using for issuing conditional loans, loans issued to financial institutions, small and medium businesses, and issuing financial guarantees;
- Investing operation – representing cash and cash equivalents, securities and due from financial institutions (deposits).

(b) Information about reportable segment profit or loss, assets and liabilities

Assets and liabilities for the reportable segments for the period ended 30 June 2024 are set out below:

<i>(In thousands of Kazakhstani Tenge)</i>	Note	Project operation	Investing operation	Total
Cash and cash equivalents	6	102,616,769	38,346,213	140,962,982
Due from financial institutions	7	245,909,497	57,207,245	303,116,742
Due from subsidy programs		737,210	-	737,210
Loans and advances to customers		783,172	-	783,172
Investments in debt securities	9	-	7,624,912	7,624,912
Total reportable segment assets		350,046,648	103,178,370	453,225,018
Borrowed funds	10	153,302,593	-	153,302,593
Debt securities in issue		1,025,122	-	1,025,122
Liabilities on subsidy programs	11	23,508,702	-	23,508,702
Deferred income and provision for credit related commitments	12	73,389,121	-	73,389,121
Other liabilities		652,150	-	652,150
Total reportable segment liabilities		251,877,688	-	251,877,688
Capital expenditure		-	-	38,708

Capital expenditure represents additions to premises and equipment.

19 Segment Analysis (Continued)

Income and expense for the reportable segments for the period ended 30 June 2024 are set out below:

<i>(In thousands of Kazakhstani Tenge)</i>	Project operation	Investing operation	Total
Interest income due from financial institutions	11,208,105	3,829,212	15,037,317
Interest income from loans and advances to customers	183,633	-	183,633
Interest income from investments in debt securities	-	290,381	290,381
Interest income from cash and cash equivalents	-	2,984,088	2,984,088
Interest expense on borrowed funds	(3,651,155)	-	(3,651,155)
Interest expense on debt securities in issue	(49,583)	-	(49,583)
Expenses for the repayment of interest on finance lease	(31,171)	-	(31,171)
Net interest income	7,659,829	7,103,681	14,763,510
Recovery of provision for impairment	645,264	15,417	660,681
Net interest income after provision for impairment	8,305,093	7,119,098	15,424,191
Fee and commission income	14,138,985	-	14,138,985
Gains less losses from debt securities at fair value through profit or loss	-	715	715
Gains less losses from derecognition of financial assets measured at amortised cost	353,680	-	353,680
Net loss arising on initial recognition of assets at rates below market	(8,420,847)	-	(8,420,847)
Reversal / (impairment) of debt securities (Deductions to the reserve) / Reinstatement of the provision for credit-related obligations	(1,443,508)	-	(1,443,508)
Expenses less income from foreign currency revaluation	110,996	-	110,996
Allocation/recovery of reserves of other assets	(55,454)	10,994	(44,460)
Expenses on realisation of Fund's programs	(1,019,269)	(148)	(1,019,417)
General and administrative expenses	(2,162,062)	(92,488)	(2,254,550)
Segment result	9,807,614	7,038,171	16,845,785

Assets and liabilities for the reportable segments at 31 December 2023 are set out below:

<i>(In thousands of Kazakhstani Tenge)</i>	Note	Project operation	Investing operation	Total
Cash and cash equivalents	6	82,123,466	42,851,516	124,974,982
Due from financial institutions	7	224,139,138	59,899,947	284,039,085
Loans and advances to customers		136,338	-	136,338
Due from subsidy programs		1,214,754	-	1,214,754
Investments in debt securities	9	-	5,692,121	5,692,121
Total reportable segment assets		307,613,696	108,443,584	416,057,280
Borrowed funds	11	148,272,206	-	148,272,206
Debt securities in issue		-	1,035,039	1,035,039
Liabilities on subsidy programs	12	2,972,435	-	2,972,435
Deferred income and provision for credit related commitments	13	68,393,748	-	68,393,748
Total reportable segment liabilities		219,638,389	1,035,039	220,673,428
Capital expenditure		-	-	84,419

Capital expenditure represents additions to premises and equipment.

19 Segment Analysis (Continued)

Income and expense for the reportable segments for the period ended 30 June 2023 are set out below:

<i>(In thousands of Kazakhstani Tenge)</i>	Project operation	Investing operation	Total
Interest income due from financial institutions	7,248,996	2,479,628	9,728,624
Interest income from loans and advances to customers	314,246	-	314,246
Interest income from investments in debt securities	-	600,885	600,885
Interest income from cash and cash equivalents	-	8,438,419	8,438,419
Interest expense on borrowed funds	(3,933,442)	-	(3,933,442)
Interest expense on debt securities in issue	-	(71,250)	(71,250)
Expenses for the repayment of interest on finance lease	(7,354)	-	(7,354)
Net interest income	3,622,446	11,447,682	15,070,128
Recovery of provision for impairment	1,600,339	4,695,832	6,296,171
Net interest income after provision for impairment	5,222,785	16,143,514	21,366,299
Fee and commission income	14,620,637	-	14,620,637
Gains less losses from debt securities at fair value through profit or loss	-	(2,132)	(2,132)
Gains less losses from derecognition of financial assets measured at amortised cost	1,167,041	-	1,167,041
(Provision for)/Recovery of impairment for credit related commitments	4,181,906	-	4,181,906
Foreign exchange translation gains less losses	(64,517)	-	(64,517)
Allocation/recovery of reserves of other assets	(95,653)	-	(95,653)
Expenses on realisation of Fund's programs	(795,164)	-	(795,164)
General and administrative expenses	(1,892,788)	(131,647)	(2,024,435)
Segment result	22,344,247	16,009,735	38,353,982

(c) Reconciliation of reportable segment revenues, profit or loss, assets and liabilities

<i>(In thousands of Kazakhstani Tenge)</i>	30 June 2024 (unaudited)	31 December 2023
Total reportable segment assets	453,225,018	416,057,280
Premises and equipment	1,825,494	2,051,605
Intangible assets	219,189	264,471
Prepayment of current income tax liabilities	2,864,526	2,075,575
Current income tax prepayment	1,395,507	582,713
Right-of-Use asset	614,990	-
Non-current assets held for sale	230,233	28,347
Other assets	3,904,561	1,075,511
Total assets	464,279,518	422,135,502

<i>(In thousands of Kazakhstani Tenge)</i>	30 June 2024 (unaudited)	31 December 2023
Total reporting segment liabilities	251,877,688	220,673,428
Other liabilities	27,707,224	889,865
Total liabilities	279,584,912	221,563,293

19 Segment Analysis (Continued)

<i>(In thousands of Kazakhstani Tenge)</i>	Six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)
Segment result	16,845,785	38,353,982
General and administrative expenses	(1,120,527)	(994,012)
Net other operating expenses	173,649	470,204
Profit before tax	15,898,907	37,830,174
Income tax expense	(2,680,135)	(7,337,623)
Profit for the period	13,218,772	30,492,551

The Fund receives all its income in Kazakhstan. The Fund has no significant external clients in foreign countries. The Fund has no significant income and expense between operating segments. The Fund has no customers who represent at least ten percent of the total income received during 6 months of 2024 (6 months 2023: no customers who represent at least ten percent of the total income received)

20 Contingencies and Commitments

Legal proceedings

From time to time and in the normal course of business, claims against the Fund may be received. Based on its own estimates and internal professional advice management is of the opinion that no material losses will be incurred in respect of claims and accordingly no provision has been made in these financial statements.

Tax legislation

Tax conditions in the Republic of Kazakhstan are subject to change and inconsistent application and interpretation. Discrepancies in the interpretation of Kazakhstani laws and regulations of the Fund and Kazakhstani authorised bodies may lead to additional taxes, fines, and penalties.

Kazakhstani legislation and taxation practices are in a state of continuous development, and therefore are subject to varying interpretations and frequent changes, which may be retroactive. In some cases, in order to determine the tax base, tax legislation refers to the provisions of IFRS, while the interpretation of the relevant provisions of IFRS by Kazakhstan tax authorities may differ from the accounting policies, judgments and estimates applied by management in preparing these separate financial statements, which may lead to additional tax liabilities of the Fund. Tax authorities can conduct a retrospective review within five years after the end of the tax year.

The management of the Fund believes that interpretations of relevant legislation are acceptable, and the tax position of the Fund is justified.

Compliance with special conditions

The Fund must comply with certain non-financial conditions related to loans received. As of 30 June 2024 and 31 December 2023, the Fund followed all special conditions.

Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees, which represent irrevocable assurances that the Fund will make payments if a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans. With respect to credit risk on commitments to extend credit, the Fund is potentially exposed to loss in an amount equal to the total unused commitments, if the unused amounts were to be drawn down. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Fund monitors the term to maturity of credit related commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

20 Contingencies and Commitments (Continued)

The maximum level of credit risk of the Fund, as a rule, is reflected in the carrying value of financial assets in the balance sheet. The ability to offset assets and liabilities is not essential to reduce potential credit risk. The management of the Fund assesses the maturity of accounts payable and monitors past due debts. Management considers it appropriate to show a maturity analysis of accounts payable and other information about credit risk in Note 22.

Credit risk for off-balance sheet financial instruments is defined as the probability of incurring losses as a result of non-fulfilment of the terms of the contract by another participant. The Fund uses the same credit policy with respect to contingent liabilities as it does with respect to balance sheet financial instruments, based on the procedures for approving transactions, using limits to limit risk, and monitoring.

Outstanding credit related commitments are as follows:

<i>(In thousands of Kazakhstani Tenge)</i>	Note	30 June 2024 (unaudited)	31 December 2023
Guarantees issued		399,184,431	402,036,224
Undrawn credit lines		6,119,322	4,962,454
Less Provision for credit related commitments	12	(20,864,502)	(23,838,693)
Total credit related commitments, net of provision		384,439,251	383,159,985

Financial guarantees represent guarantees issued by the Fund to secure the fulfilment of obligations of private entrepreneurs to pay part of the principal debt under a loan agreement / financial leasing agreement to second-tier banks/microfinance organizations/leasing companies arising from guarantee agreements, within the amount of the guarantee, as part of the implementation of the following guarantee programs: The mechanism for lending and financial leasing of priority projects, approved by the Decree of the Government of the Republic of Kazakhstan dated 11 December 2018 No. 820, the "Damu-Optima" Guarantee Program, approved by the decision of the Fund's Board dated 22 January 2018 Protocol No. 05 / 2018, the National Project for the Development of Entrepreneurship for 2021-2025, approved by the Decree of the Government of the Republic of Kazakhstan dated 12 October 2021 No. 728, and the State Program for the Development of Productive Employment and Mass Entrepreneurship for 2017-2021 "Enbek", approved by the Decree of the Government of the Republic of Kazakhstan No. 746 of 13 November 2018.

Within the framework of the programs, the Fund is the financial agency between the program coordinator and the private enterprise. Program coordinators pay a guarantee issuance fee to the Fund, depending on the guarantee program. The resulting commission value is deferred to income on a straight-line basis over the life of the issued guarantee. The increase in issued guarantees is due to the overall increase in the volume of guarantees for small and medium-sized businesses.

To calculate the expected credit losses from financial guarantees, the Fund determines the probability of default using migration matrices based on the number of days of delay.

The total amount outstanding under undrawn lines of credit and contractual guarantees does not necessarily represent future cash claims as these obligations may expire or be cancelled without funds being provided to the borrower.

Total outstanding contractual commitments do not necessarily represent future cash outflows, as many of these obligations may terminate without being fully or partially fulfilled. An analysis of changes in the provision for credit related commitments is presented below:

<i>(In thousands of Kazakhstani Tenge)</i>	Six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)
Carrying amount at 1 January	(23,838,693)	(34,115,028)
Losses charged to profit or loss	(12,435,659)	(8,794,072)
Unused amounts reversed	10,992,151	12,975,978
Movements without impact on credit loss allowance charge for the period	3,294,263	1,318,654
Carrying amount at the end of the reporting period	(20,864,502)	(27,608,568)

20 Contingencies and Commitments (Continued)

An analysis of credit related commitments by credit quality based on credit risk grades at 30 June 2024 is as follows:

<i>(In thousands of Kazakhstani Tenge)</i>	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Guarantees issued				
<i>Not overdue:</i>	378,659,124	10,005,037	827,862	389,492,023
<i>Overdue:</i>				
- less than 31 days overdue	5,045,768	816,546	73,738	5,936,052
- 31 to 60 days overdue	-	1,057,580	73,047	1,130,627
- 61 to 90 days overdue	-	724,417	66,767	791,184
- over 90 days overdue	-	-	1,834,545	1,834,545
Unrecognised gross amount	383,704,892	12,603,580	2,875,959	399,184,431
Provision for financial guarantees	16,582,210	2,034,117	2,104,164	20,720,491
Loan commitments				
- rated from B- to B+	402,000	-	-	402,000
Internal assessment of the Fund				
- Good	4,465,000	-	-	4,465,000
- Satisfactory	1,252,322	-	-	1,252,322
Unrecognised gross amount	6,119,322	-	-	6,119,322
Provision for loan commitments	(144,011)	-	-	(144,011)

An analysis of credit related commitments by credit quality based on credit risk grades at 31 December 2023 is as follows:

<i>(In thousands of Kazakhstani Tenge)</i>	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Issued financial guarantees				
<i>Not overdue:</i>	368,466,982	14,834,667	1,549,667	384,851,316
<i>Overdue:</i>				
- less than 31 days overdue	7,534,265	1,200,723	220,067	8,955,055
- 31 to 60 days overdue	-	1,781,038	281,897	2,062,935
- 61 to 90 days overdue	-	1,190,054	372,814	1,562,868
- over 91 days overdue	-	-	4,604,050	4,604,050
Unrecognised gross amount	376,001,247	19,006,482	7,028,495	402,036,224
Provision for financial guarantees	(13,632,737)	(3,455,244)	(6,719,241)	(23,807,222)
Loan commitments				
- BB- to BB+ rated	510,454	-	-	510,454
- B- to B+ rated	1,902,000	-	-	1,902,000
Internal assessment of the Fund				
- Good level	2,550,000	-	-	2,550,000
Unrecognised gross amount	4,962,454	-	-	4,962,454
Provision for loan commitments	(31,471)	-	-	(31,471)

21 Financial Risk Management

The risk management function within the Fund is carried out with respect to financial risks (credit, market, and liquidity risks). Financial risk comprises market risk (including currency risk, interest rate risk and other price risks), credit risk and liquidity risk. The primary function of financial risk management is to establish risk limits and to ensure that any exposure to risk stays within these limits. The operational and legal risk management functions are intended to ensure the proper functioning of internal policies and procedures in order to minimise these risks.

The objectives, policies and processes for managing the financial risks and the methods used to measure the risks applied by the Fund during the six months ended 30 June 2024 are consistent with those applied during the year 2023.

Credit risk

External ratings are assigned to counterparties by independent international rating agencies, such as S&P, Moody's and Fitch. These ratings are publicly available. Such ratings and the corresponding range of probabilities of default ("PD") are applied for the following financial instruments: investments in debt securities (government, corporate, municipal bonds, Eurobonds and promissory notes purchased) and loans given to financial institutions. Scale with a specified range of probabilities of default of financial institutions is disclosed in the table below:

Master scale credit risk grade	Corresponding ratings of external international rating agencies (S&P)	Corresponding PD interval
Excellent	AAA – BB+	0,00% - 0,52%;
Good	BB+ – B+	0,53% - 2,77%;
Satisfactory	B, B-	2,78% - 13,68%;
Special monitoring	CCC+ – CCC-	13,69% - 99,9%;
Default	C, D-I, D-II	100%

To calculate expected credit losses on financial guarantees, the Fund determines the probability of default using migration matrices based on the number of days in arrears. When compiling migration matrices, the Fund takes into account the industries in which borrowers who have received the Fund's guarantees work and correlates the risks of default in these industries with macroeconomic indicators. The Fund uses the following macroeconomic indicators in this analysis:

- Brent oil price;
- USD/KZT exchange rate;
- Inflation rate;
- Unemployment rate;
- GDP growth.

When constructing migration matrices, the Fund takes into account migration not only on the basis of days of delay, but also on the basis of the restructuring carried out and other qualitative parameters that lead to an increase in credit risk.

21 Financial Risk Management (Continued)

Currency risk

The following table shows the foreign currency exposure structure of financial assets and liabilities as at 30 June 2024:

<i>(In thousands of Kazakhstani Tenge)</i>	Tenge	US Dollar	Total
FINANCIAL ASSETS			
Cash and cash equivalents	140,962,982	-	140,962,982
Due from financial institutions	303,115,179	1,563	303,116,742
Due from subsidy programs	737,210	-	737,210
Loans and advances to customers	783,172	-	783,172
Investment securities	4,145,186	3,479,726	7,624,912
Other financial assets	3,568,765	-	3,568,765
TOTAL FINANCIAL ASSETS	453,312,494	3,481,289	456,793,783
FINANCIAL LIABILITIES			
Borrowed funds	152,908,540	394,053	153,302,593
Debt securities issued	1,025,122	-	1,025,122
Liabilities on subsidy programs	23,508,702	-	23,508,702
Deferred income and provision for credit related commitments	73,389,121	-	73,389,121
Other financial liabilities	28,051,031	-	28,051,031
TOTAL FINANCIAL LIABILITIES	278,882,516	394,053	279,276,569
Net position as at 30 June 2024 (unaudited)	174,429,978	3,087,236	177,517,214

The following table shows the foreign currency exposure structure of financial assets and liabilities as at 31 December 2023:

<i>In thousands of Kazakhstani Tenge</i>	Tenge	US Dollar	Total
FINANCIAL ASSETS			
Cash and cash equivalents	124,974,982	-	124,974,982
Due from financial institutions	283,997,025	42,060	284,039,085
Due from subsidy programs	136,338	-	136,338
Loans and advances to customers	1,214,754	-	1,214,754
Investments in debt securities	2,330,097	3,362,024	5,692,121
Other financial assets	70,011	-	70,011
Total financial assets	412,723,207	3,404,084	416,127,291
FINANCIAL LIABILITIES			
Borrowed funds	147,892,279	379,927	148,272,206
Debt securities in issue	1,035,039	-	1,035,039
Liabilities under subsidy programs	2,972,435	-	2,972,435
Deferred income and provision for credit related commitments	68,393,748	-	68,393,748
Other financial liabilities	294,172	-	294,172
Total financial liabilities	220,587,673	379,927	220,967,600
Net position before derivatives as at 31 December 2023	192,135,534	3,024,157	195,159,691

21 Financial Risk Management (Continued)

The following table presents sensitivities of profit or loss and equity to reasonably possible changes in exchange rates applied at the end of the reporting period relative to the functional currency of the Fund, with all other variables held constant:

<i>(In thousands of Kazakhstani Tenge)</i>	At 30 June 2024 (unaudited)		At 31 December 2023	
	Impact on profit or loss	Impact on equity	Impact on profit or loss	Impact on equity
US Dollar strengthening by 7,29% (2023: strengthening by 8,86%)	180,048	144,038	214,352	171,482
US Dollar weakening by 7,29% (2023: weakening by 8,86%)	(180,048)	(144,038)	(214,352)	(171,482)

Liquidity risk

The maturity analysis for discounted financial assets and liabilities as at 30 June 2024 is as follows:

<i>(In thousands of Kazakhstani Tenge)</i>	Demand and less than 1 month	1-3 months	3-6 months	6-12 months	Over 1 year	Total
30 June 2024 (unaudited)						
FINANCIAL ASSETS						
Cash and cash equivalents	140,962,982	-	-	-	-	140,962,982
Due from financial institutions	4,971,239	1,555,036	12,688,816	7,755,401	276,146,250	303,116,742
Due from subsidy programs	737,210	-	-	-	-	737,210
Loans and advances to customers	689,928	7,694	11,052	18,890	55,608	783,172
Investment securities at FVOCI	-	5	-	2,595	68,501	71,101
Investment securities at AC	823,790	-	-	-	-	823,790
Investment securities at fair value through profit or loss	-	-	13,201	3,250,295	3,466,525	6,730,021
Other financial assets	3,114,587	453,720	458	-	-	3,568,765
TOTAL FINANCIAL ASSETS	151,299,736	2,016,455	12,713,527	11,027,181	279,736,884	456,793,783
FINANCIAL LIABILITIES						
Borrowed funds	549,267	842,488	725,331	5,170,814	146,014,693	153,302,593
Debt securities issued	-	25,122	-	-	1,000,000	1,025,122
Liabilities on subsidy programs	23,508,702	-	-	-	-	23,508,702
Guarantees issued and undrawn credit lines	7,147,904	6,246,824	15,322,905	17,348,246	359,237,874	405,303,753
Other financial liabilities	27,578,624	37,933	57,973	119,918	256,583	28,051,031
Total potential future payments for financial obligations	58,784,497	7,152,367	16,106,209	22,638,978	506,509,150	611,191,201
Liquidity gap arising from financial instruments	92,515,239	(5,135,912)	(3,392,682)	(11,611,797)	(226,772,266)	(154,397,418)

Liquidity requirements for payments under guarantees and letters of credit are significantly lower than the amount of the corresponding obligations presented in the maturity analysis above because the Fund expects that the funds can be called upon, for which purpose the reserve is established.

21 Financial Risk Management (Continued)

The fund has sufficient resources and will be able to respond in time to possible cash shortages. Also, the Fund has support from the parent company to obtain funding to maintain liquidity. The maturity analysis of discounted financial assets and liabilities as at 31 December 2023 is as follows:

<i>(In thousands of Kazakhstani Tenge)</i>	Demand and less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	Over 1 year	Total
31 December 2023						
FINANCIAL ASSETS						
Cash and cash equivalents	124,974,982	-	-	-	-	124,974,982
Due from financial institutions	4,172,680	1,823,638	13,858,537	5,470,795	258,713,435	284,039,085
Due from subsidy programs	136,338	-	-	-	-	136,338
Loans and advances to customers	938,356	25,852	35,448	55,588	159,510	1,214,754
Securities at fair value through profit or loss	-	5,917	-	2	67,599	73,518
Securities at fair value through other comprehensive income	1,070,833	362,909	12,728	-	3,349,295	4,795,765
Securities at amortised cost	-	33,200	-	789,638	-	822,838
Other financial assets	66,923	2,210	-	878	-	70,011
TOTAL FINANCIAL ASSETS	131,360,112	2,253,726	13,906,713	6,316,901	262,289,839	416,127,291
FINANCIAL LIABILITIES						
Borrowed funds	455,389	1,038,195	1,639,971	1,651,444	143,487,207	148,272,206
Investments in debt security	-	35,039	-	-	1,000,000	1,035,039
Liabilities on subsidy programs	2,972,435	-	-	-	-	2,972,435
Deferred income and provision for credit related commitments	926,495	7,048,476	13,043,187	42,942,079	343,038,441	406,998,678
Other financial liabilities	294,172	-	-	-	-	294,172
Total potential future payments for financial obligations	4,648,491	8,121,710	14,683,158	44,593,523	487,525,648	559,572,530
Liquidity gap arising from financial instruments	126,711,621	(5,867,984)	(776,445)	(38,276,622)	(225,235,809)	(143,445,239)

The financial liabilities of the Fund as of 30 June 2024 by the terms remaining to maturity based on contractual undiscounted liabilities to repay are as follows:

<i>(In thousands of Kazakhstani Tenge)</i>	Demand and less than 1 month	1-3 months	3-6 months	6-12 months	Over 1 year	Total
30 June 2024 (unaudited)						
FINANCIAL LIABILITIES						
Borrowed funds	155,963	883,933	849,001	5,336,763	252,501,827	259,727,487
Debt securities in issue	-	25,122	-	-	1,000,000	1,025,122
Liabilities on subsidy programs	23,508,702	-	-	-	-	23,508,702
Deferred income and provision for credit obligations	7,147,904	6,246,824	15,322,905	17,348,246	359,237,875	405,303,754
Other financial liabilities	27,578,625	37,933	57,972	119,918	256,583	28,051,031
Total potential future payments on financial liabilities	58,391,194	7,193,812	16,229,878	22,804,927	612,996,285	717,616,096

21 Financial Risk Management (Continued)

The financial liabilities of the Fund as of 31 December 2023 by the terms remaining to maturity based on contractual undiscounted liabilities to repay are as follows:

<i>(In thousands of Kazakhstani Tenge)</i>	Demand and less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	Over 1 year	Total
31 December 2023						
FINANCIAL LIABILITIES						
Borrowed funds	76,221	1,080,146	1,763,086	1,817,319	253,622,660	258,359,432
Investments in debt security	-	35,039	-	-	1,000,000	1,035,039
Liabilities on subsidy programs	2,972,435	-	-	-	-	2,972,435
Deferred income and provision for credit related commitments	926,495	7,048,476	13,043,187	42,942,079	343,038,441	406,998,678
Other financial liabilities	294,172	-	-	-	-	294,172
Total potential future payments for financial obligations	4,269,323	8,163,661	14,806,273	44,759,398	597,661,101	669,659,756

22 Fair Value Disclosures

(a) Recurring fair value measurements

Recurring fair value measurements are those that the accounting standards require or permit in the statement of financial position at the end of each reporting period. The levels in the fair value hierarchy into which the recurring fair value measurements are categorised are as follows:

<i>(In thousands of Kazakhstani Tenge)</i>	30 June 2024 (unaudited)		31 December 2023	
	Level 1	Level 2	Level 1	Level 2
FINANCIAL ASSETS				
Cash and cash equivalents				
- Notes of the NB RK	-	-	-	35,865
Securities at fair value through profit or loss				
- Kazakhstani government bonds	-	71,101	-	73,518
Investment debt securities measured at fair value through other comprehensive income				
- Kazakhstan government bonds	-	3,250,295	-	1,433,741
- Bonds of NWF "Samruk-Kazyna" JSC	-	3,479,726	-	3,362,024
Due from financial institutions				
- Debt securities of commercial banks	-	609,562	-	582,700
Total assets recurring fair value measurements	-	7,410,684	-	5,487,848

22 Fair Value Disclosures (Continued)

(b) Assets and liabilities not measured at fair value but for which fair value is disclosed

<i>(In thousands of Kazakhstani Tenge)</i>	30 June 2024 (unaudited)			Carrying amount
	Level 1	Level 2	Level 3	
FINANCIAL ASSETS				
Cash and cash equivalents	10,310,231	130,652,751	-	140,962,982
Due from financial institutions				
- Loans given to financial institutions and loans given under islamic financing programs	-	176,537,193	-	215,913,813
- Placements with other banks with original maturities of more than three months	-	57,207,245	-	57,207,245
- Debt securities of financial institutions	-	-	30,979,544	29,386,122
Due from subsidy programs				
- Due from subsidy programs	-	-	737,210	737,210
Loans and advances to customers				
- Loans to small and middle size entities	-	-	783,172	783,172
Investment securities measured at amortized cost				
- Other financial assets	-	-	823,790	823,790
- Other	-	-	3,568,765	3,568,765
TOTAL FINANCIAL ASSETS CARRIED AT AMORTISED COST	10,310,231	364,397,189	35,892,481	449,383,099
FINANCIAL LIABILITIES				
Borrowed funds				
- Baiterek NMH JSC	-	50,195,535	-	112,580,987
- Municipal authorities	-	23,371,433	-	39,827,386
- Ministry of Finance of the Republic of Kazakhstan	-	394,053	-	394,053
- Other loans	-	205,231	-	500,167
Debt securities issued				
- Municipal authorities	-	-	1,025,122	1,025,122
Liabilities on subsidy programs				
- Municipal authorities	-	-	14,643,712	14,643,712
- Banks	-	-	8,864,990	8,864,990
Deferred income and provision for credit related commitments				
- Deferred income	-	-	52,524,619	52,524,619
- Provision for financial guarantee obligations	-	-	20,864,502	20,864,502
Other financial liabilities				
- Other	-	-	28,051,031	28,051,031
TOTAL FINANCIAL LIABILITIES CARRIED AT AMORTISED COST	-	74,166,252	125,973,976	279,276,569

22 Fair Value Disclosures (Continued)

<i>(In thousands of Kazakhstani Tenge)</i>	31 December 2023			Carrying value
	Level 1	Level 2	Level 3	
FINANCIAL ASSETS				
Cash and cash equivalents	23,907,543	101,031,574	-	124,939,117
Due from financial institutions				
- Loans given to financial institutions and loans given in the framework of Islamic finance	-	155,250,934	-	194,347,666
- Debt securities of financial institutions	-	582,700	29,210,860	29,793,560
- Placements with banks with initial maturity more than 3 months	-	59,899,947	-	59,899,947
Due from subsidy programs				
- Due from subsidy programs	-	-	136,338	136,338
Loans and advances to customers				
- Loans to small and medium size entities	-	-	1,214,754	1,214,754
Investment securities at amortised cost				
- Other	-	-	822,838	822,838
Other financial assets				
- Other	-	-	70,011	70,011
TOTAL ASSETS CARRIED AT AMORTISED COST	23,907,543	316,765,155	31,454,801	411,224,231
FINANCIAL LIABILITIES				
Borrowed funds				
- Baiterek NMH JSC	-	56,166,656	-	109,095,786
- Municipal authorities	-	26,092,056	-	38,296,326
- Ministry of Finance of the Republic of Kazakhstan	-	379,927	-	379,927
- Other loans	-	218,538	-	500,167
- Investments in debt securities	-	-	1,035,039	1,035,039
Liabilities on subsidy programs				
- Municipal authorities	-	-	210,372	210,372
- Banks	-	-	2,762,063	2,762,063
Deferred income and provision for credit related commitments				
- Deferred income	-	-	44,555,056	44,555,056
- Financial guarantees	-	-	23,838,692	23,838,692
Other financial liabilities				
- Other	-	-	294,172	294,172
TOTAL LIABILITIES CARRIED AT AMORTISED COST	-	82,857,177	72,695,394	220,967,600

23 Related Party Transactions

Parties are generally considered to be related if the parties are under common control or one party can control the other party or can exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Other related parties include the Government of the Republic of Kazakhstan, state-owned and quasi-state-owned companies and other companies that have identified signs of being related to the Fund.

At 30 June 2024, the outstanding balances with related parties were as follows:

<i>(In thousands of Kazakhstani Tenge)</i>	Sole shareholder	Entities under control of the Shareholder	Other related parties
Cash and cash equivalents <i>(contractual interest rate: 0%)</i>	-	742,094	94,651,067
Due from financial institutions <i>(contractual interest rate: 2%-8.5%)</i>	-	54,477,346	9,703,887
Receivables from subsidy programs <i>(negotiable interest rate: 0%)</i>	-	-	737,210
Investment securities at fair value through profit or loss <i>(contractual interest rate: 4.87-9.1%)</i>	-	-	71,101
Investment securities at fair value through other comprehensive income	-	-	6,730,021
Current income tax prepayment <i>(contractual interest rate: 15%)</i>	-	-	2,864,526
Deferred tax liability	-	-	-
Deferred tax asset	-	-	1,395,507
Other assets	-	-	60,151
Borrowed funds <i>(contractual interest rate: 0.01% – 10.65%)</i>	112,580,987	-	40,721,606
Liabilities on subsidy programs <i>(contractual interest rate: 0%)</i>	-	-	14,813,466
Other financial liabilities <i>(contractual interest rate: 0%)</i>	-	180,164	-
Other liabilities <i>(contractual interest rate: 0%)</i>	27,014,412	-	2,833,003

The income and expense items with related parties during the six months ended 30 June 2024 were as follows:

<i>(In thousands of Kazakhstani Tenge)</i>	Sole shareholder	Entities under control of the Shareholder	Other related parties
Interest income	-	3,391,625	750,078
Interest expense	(3,643,202)	(8,316)	(7,953)
Commission income	-	-	349,556
Gains less losses from securities at fair value through profit or loss	-	-	715
Income/(expenses) arising from the initial recognition of liabilities at below/above market rates	-	-	(2,823,225)
Gains less losses/(losses less gains) from foreign currency transactions	-	-	109,057
Provision for the impairment of credit portfolio	-	-	(29,308)
Provision for the impairment of other financial assets and liabilities	-	14,134	(8)
Administrative and other operating expenses	-	(34,323)	(48,352)
Other income and expenses	-	80	2,204
Income tax expense	-	-	(2,680,135)

The income and expense items with related parties during the three months ended 30 June 2024 were as follows:

<i>(In thousands of Kazakhstani Tenge)</i>	Sole shareholder	Entities under control of the Shareholder	Other related parties
Interest income	-	1,542,385	559,242
Interest expense	(1,807,268)	(4,322)	(3,982)
Commission income	-	-	-
Gains less losses from securities at fair value through profit or loss	-	-	3,091
Gains less losses/(losses less gains) from foreign currency transactions	-	-	(50,929)
Net expense from derecognition of financial assets measured at amortized cost	-	-	-
Provision for the impairment of credit portfolio	-	-	-
Provision for the impairment of other financial assets and liabilities	-	8,477	(6,362)
Administrative and other operating expenses	-	(16,376)	(27,375)
Income tax expense	-	-	(686,093)

23 Related Party Transactions (Continued)

Aggregate amounts lent to and repaid by related parties during the six months ended 30 June 2024 were as follows:

<i>(In thousands of Kazakhstani Tenge)</i>	Sole shareholder	Entities under control of the Shareholder	Other related parties
Amounts received from related parties during the period	-	-	4,390,000
Amounts repaid by the Fund during the period	(158,000)	-	(2,866,643)

At 31 December 2023, the outstanding balances with related parties were as follows:

<i>(In thousands of Kazakhstani Tenge)</i>	Sole shareholder	Entities under control of the Shareholder	Other related parties
Cash and cash equivalents (contractual interest rate: 0%)	-	482,450	79,533,659
Due from banks (negotiated interest rate: 2-10%)	-	55,967,079	7,035,462
Accounts receivable under subsidization programs (negotiable interest rate: 0%)	-	-	136,338
Investment debt securities measured at fair value through other comprehensive income (contractual interest rate: 1-9.5%)	-	-	4,795,765
Investment debt securities measured at amortized cost (contractual interest rate: 9%)	-	-	822,838
Investment securities at fair value through profit or loss (contractual interest rate: 5.5%-7.68%)	-	-	73,518
Current income tax prepayment (contractual interest rate: 15%)	-	-	2,075,574
Deferred tax asset (contractual interest rate: 0%)	-	-	582,713
Other financial assets (contractual interest rate: 0%)	-	40,449	-
Other assets (contractual interest rate: 0%)	-	298	171,692
Borrowed funds (contractual interest rate: 0.1%-5.5%)	109,095,786	-	39,176,420
Liabilities on subsidy programs (contractual interest rate: 0%)	-	-	249,480
Other financial liabilities	-	1,047	-
Other liabilities	-	-	170,807

The income and expense items with related parties during the six months ended 30 June 2023 were as follows:

<i>(In thousands of Kazakhstani Tenge)</i>	Sole shareholder	Entities under control of the Shareholder	Other related parties
Interest income	-	2,524,487	635,104
Interest expense	(3,398,342)	(1,979)	(535,100)
Commission income	-	-	360,361
Gains less losses from securities at fair value through profit or loss	-	-	(2,132)
Gains less losses/(losses less gains) from foreign currency transactions	-	-	(62,893)
Net expense from derecognition of financial assets measured at amortized cost	-	-	346,554
Provision for the impairment of credit portfolio	-	4,802,662	34,522
Provision for the impairment of other financial assets and liabilities	-	167	(6)
Administrative and other operating expenses	-	(26,385)	(65,949)
Other income and expenses	-	4,362	1,830
Income tax expense	-	-	(7,337,623)

23 Related Party Transactions (Continued)

The income and expense items with related parties during the three months ended 30 June 2023 were as follows:

<i>(In thousands of Kazakhstani Tenge)</i>	Sole shareholder	Entities under control of the Shareholder	Other related parties
Interest income	-	1,246,575	372,896
Interest expense	(1,721,775)	(838)	(267,538)
Commission income	-	-	360,361
Gains less losses from securities at fair value through profit or loss	-	-	(3,592)
Gains less losses/(losses less gains) from foreign currency transactions	-	-	4,633
Net expense from derecognition of financial assets measured at amortized cost	-	-	-
Provision for the impairment of credit portfolio	-	5,201,140	34,522
Provision for the impairment of other financial assets and liabilities	-	167	(6)
Administrative and other operating expenses	-	(16,365)	(26,844)
Other income and expenses	-	4,362	1,830
Income tax expense	-	-	(4,215,894)

Aggregate amounts received from and repaid to related parties by the Fund during the six months ended 30 June 2023 were as follows:

<i>(In thousands of Kazakhstani Tenge)</i>	Sole shareholder	Entities under control of the Shareholder	Other related parties
Amounts received from related parties during the period	-	-	1,700,000
Amounts repaid by the Fund during the period	(158,000)	-	(2,500,781)

Key management compensation

Key management personnel includes members of the Board of Directors, members of the Management Board, Managing Directors, and Chief of Staff.

Key management compensation is presented below:

<i>(In thousands of Kazakhstani Tenge)</i>	Six months ended 30 June 2024 (unaudited)		Six months ended 30 June 2023 (unaudited)	
	Expense	Accrued liability	Expense	Accrued liability
<i>Short-term benefits:</i>				
- Salaries	140,060	22,974	152,694	21,282
- Short-term bonuses	71,702	-	72,437	-
- Benefits in-kind	1,289	-	1,285	-
Total	213,051	22,974	226,416	21,282

Related party transactions are not collateralised. No expected credit losses on doubtful debts were generated due to the absence of the doubtful debts from the related parties.

24 Events after the End of the Reporting Period

No significant events occurred after the reporting date.