





Damu Entrepreneurship Development Fund JSC

**Unaudited Interim Financial Statement
in accordance with IAS 34**

September 30, 2024

Damu Entrepreneurship Development Fund JSC
Statement of Financial Position

<i>(in thousands of Kazakhstani Tenge)</i>	Note	September 30, 2024 (unaudited)	December 31, 2023
ASSETS			
Cash and cash equivalents	4	86,380,363	124,974,982
Due from financial institutions	5	314,448,213	284,039,085
Receivables from subsidy programmes		10,602	136,338
Loans and advances to customers	6	763,598	1,214,754
Investments in debt securities	7	7,091,341	5,692,121
Property, plant and equipment		2,409,449	2,051,605
Intangible assets		182,726	264,471
Prepayment of current income tax liabilities		5,679,720	2,075,575
Deferred tax asset		1,395,507	582,713
Non-current assets held for sale		230,233	28,347
Other assets	8	10,752,496	1,075,511
TOTAL ASSETS		429,344,248	422,135,502
LIABILITIES			
Borrowed funds	9	154,048,635	148,272,206
Debt securities in issue		1,005,289	1,035,039
Liabilities under subsidy programmes	10	5,341,395	2,972,435
Deferred income and provisions for credit-related liabilities	11	74,513,922	68,393,748
Other liabilities	12	1,217,177	889,865
TOTAL LIABILITIES		236,126,418	221,563,293
EQUITY			
Share capital	13	102,920,273	102,920,273
Additional paid in capital		8,648,785	10,735,627
Revaluation fund for investment securities at fair value through other comprehensive income		(257,598)	(363,647)
Other reserves		316,430	316,430
Retained earnings		81,589,940	86,963,526
TOTAL EQUITY		193,217,830	200,572,209
TOTAL LIABILITIES AND EQUITY		429,344,248	422,135,502
Book value of one common share (tenge)		6,953.15	7,215.11
Deputy Chairman of the Management Board: B.N. Makazhanov (full name)			 (signature)
Chief Accountant: A.T. Bekmuratova (full name)			 (signature)



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

<i>(in thousands of Kazakhstani Tenge)</i>	Note	Nine months ended	
		September 30, 2024 (unaudited)	September 30, 2023 (unaudited)
Interest income calculated using the effective interest rate method	16	27,065,769	28,992,243
Other similar income	16	5,132	5,165
Interest expense	16	(5,675,985)	(6,078,115)
Net interest income		21,394,916	22,919,293
Recovery/(creation) of an estimated provision for credit losses on loans and advances of clients and funds in financial institutions		(4,329)	5,281,324
Net interest income after provision for loan impairment		21,390,587	28,200,617
Net fee and commission income	17	22,357,044	22,236,717
Net gain on derecognition of financial assets measured at amortised cost		431,799	1,308,878
Net income/expenses from debt securities at fair value through profit or loss		1,299	(365)
Net foreign exchange gains and losses		(8)	(12,072)
Income net of foreign currency revaluation expense		175,943	90,028
Net loss arising on initial recognition of financial instruments at below-market rates		(11,167,361)	(2,732,014)
Impairment of debt securities		-	(80,812)
Reversal of provision/Provision for impairment of other assets		8,086	(81,084)
Recovery of provision/(provision) for credit-related liabilities		(2,494,160)	5,624,530
Net other operating income/(expense)		197,368	815,474
Expenses for the implementation of the Fund's programs		(1,608,423)	(1,185,554)
General and administrative expenses		(4,971,213)	(4,425,414)
Profit before tax		24,320,961	49,758,929
Income tax expense	18	(2,680,135)	(7,337,623)
PROFIT FOR THE PERIOD		21,640,826	42,421,306
Other comprehensive income:			
<i>Items that may subsequently be reclassified to profit or loss:</i>			
Investments in debt securities at fair value through other comprehensive income:		106,049	203,868
Other comprehensive loss for the period		106,049	203,868
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		21,746,875	42,625,174

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

Damu Entrepreneurship Development Fund JSC
Statement of Changes in Equity

<i>(in thousands of Kazakhstani tenge)</i>	Share capital	Additional paid-in capital	Revaluation reserve for securities measured at fair value through other comprehensive income	Other reserves	Retained (loss) / profit	Total
Balance as of January 1, 2023	102,920,273	10,735,627	(771,353)	316,430	61,787,891	174,988,868
Profit for the period	-	-	-	-	42,421,306	42,421,306
Other comprehensive loss	-	-	203,868	-	-	203,868
Total comprehensive income for the Nine months ended September 30, 2023 (unaudited)			203,868	-	42,421,306	42,625,174
Dividends declared	-	-	-	-	(13,416,382)	(13,416,382)
Balance at September 30, 2023 (unaudited)	102,920,273	10,735,627	(567,485)	316,430	90,792,815	204,197,660
Balance as of January 1, 2024	102,920,273	10,735,627	(363,647)	316,430	86,963,526	200,572,209
Profit for the period	-	-	-	-	21,640,826	21,640,826
Other comprehensive income	-	-	106,049	-	-	106,049
Deposit discount	-	(2,086,842)	-	-	-	(2,086,842)
Total comprehensive income for the Nine months ended September 30, 2024 (unaudited)	-	(2,086,842)	106,049	-	21,640,826	19,660,033
Dividends declared	-	-	-	-	(27,014,412)	(27,014,412)
Balance at September 30, 2024 (unaudited)	102,920,273	8,648,785	(257,598)	316,430	81,589,940	193,217,830

Damu Entrepreneurship Development Fund JSC
Statement of Cash Flows

<i>(in thousands of Kazakhstani tenge)</i>	Nine months ended	
	September 30, 2024 (unaudited)	September 30, 2023 (unaudited)
Cash from operating activities:		
Interest received	19,744,321	22,430,416
Interest paid	(327,408)	(1,141,644)
Commissions received	19,655,275	23,088,229
Commissions paid	(60,737)	(92,138)
Income from other operating activities	144,849	136,776
Staff costs paid	(3,255,393)	(2,826,292)
General and administrative expenses paid	(3,239,901)	(2,694,808)
Income tax paid	(4,754,316)	(4,318,839)
Cash flows from operating activities before changes in operating assets and liabilities	27,906,690	34,581,700
<i>Net (increase)/decrease in:</i>		
- funds in financial institutions	(39,509,428)	103,906
- loans and advances to customers	1,772,376	182,750
- other financial assets	(8,671,200)	(6,983,653)
- other assets	2,406	4,577,250
<i>Net increase/(decrease) in:</i>		
- other financial liabilities (liabilities under subsidy programs)	5,670,355	62,886,334
- other liabilities	90,186	(266,090)
Net cash from operating activities	(12,738,615)	95,082,197
Cash flows from investing activities		
Purchase of investment securities	(3,075,000)	(33,212,981)
Proceeds from the sale and redemption of investment securities	3,943,816	33,159,827
Acquisition of fixed assets	(78,111)	(20,454)
Acquisition of intangible assets	-	(18,306)
Proceeds from the sale of assets for sale	133,537	14,308
Net cash used in investing activities	924,242	(77,606)
Cash flow from financing activities		
Obtaining borrowed funds	4,390,000	4,350,000
Repayment of borrowed funds	(3,969,271)	(2,998,398)
Proceeds/repayments from debt securities issued	-	(200,000)
Repayment of long-term lease	(198,339)	(159,321)
Capital contributions from shareholders	-	0
Dividends paid	(27,014,412)	(13,416,382)
Net cash used in financing activities	(26,792,022)	(12,424,101)
Impact of exchange rate changes on cash and cash equivalents	406	(228)
Impact of changes in the impairment allowance on cash and cash equivalents	11,370	(49,601)
(Net decrease) / net increase in cash and cash equivalents	(38,594,619)	82,530,661
Cash and cash equivalents at the beginning of the period	124,974,982	182,037,345
Cash and cash equivalents at the end of the period	86,380,363	264,568,006

1 Introduction

"Damu" Entrepreneurship Development Fund JSC (the "Fund") was established in pursuance of 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 size enterprises.

As of 30 September, 2024 and 2023, the 100% shareholder of the Fund is National Management Holding Baiterek JSC (hereinafter - "Parent Company" or "Sole Shareholder"). The ultimate shareholder of the Fund is the Government of the Republic of Kazakhstan. Information on transactions with related parties is disclosed in Note 22.

Principal activity. The main activities of the Fund are financing within the framework of lending programs through second-tier banks, microfinance organizations and leasing companies, subsidizing interest rates, guarantees, consulting support, distribution of information and analytical materials. The Fund uses its own and borrowed funds to finance small and medium-sized enterprises in Kazakhstan.

The fund has 20 regional branches. The head office is located in Almaty, Kazakhstan. As at 30 September 2024, the Fund employed 454 employees (31 December 2023: 426 employees).

Registered address and place of business. The Fund is registered at the following address: 111 Gogol Street, Almaty, Kazakhstan.

2 Operating Economic environment of the Fund

Republic of Kazakhstan. In general, the economy of the Republic of Kazakhstan continues to show some characteristic features inherent in emerging markets. It is especially sensitive to fluctuations in the price of oil and gas and other minerals, which make up the bulk of the country's exports. These features also include, but are not limited to, the existence of a national currency that is not freely convertible outside the country and a low level of securities market liquidity. Ongoing political tensions in the region, exchange rate volatility have had and may 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 September 11, 2024, Moody's International Rating Agency raised the Fund's long-term and short-term ratings from Baa3/Prime-3 to Baa2/Prime-2, respectively. Following the increase in the country rating and forecast, Moody's also changed the Fund's forecast from Positive to Stable. The rating on the National Scale is confirmed at "Aa2.kz."

According to the international rating agency S&P Global Ratings, the Fund's long-term and short-term credit ratings for liabilities in foreign and national currencies at the level of "BBB-/A-3", respectively. Outlook Stable. The rating on the National Scale is confirmed at "kzAAA".

In addition, the financial sector in the Republic of Kazakhstan remains subject to political, legislative, tax and regulatory changes in the Republic of Kazakhstan. Prospects for the economic stability of the Republic of Kazakhstan largely depend on the effectiveness of economic measures taken by the Government, as well as on the development of legal, control and political systems, that is, on circumstances that are beyond the control of the Company.

To assess expected credit losses, the Fund uses confirmable forecast information, including forecasts of macroeconomic indicators. However, as in any economic forecasts, assumptions and the likelihood of their implementation are inevitably associated with a high level of uncertainty, and therefore actual results may differ significantly from those projected.

Management is unable to foresee the extent or duration of changes in the Kazakh economy or assess their possible impact on the Fund's financial position in the future. Management is confident that it is taking all necessary measures to maintain the sustainability and growth of the Fund in the current circumstances.

3 Summary of Accounting Policies

Reporting basis. The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standard (IAS) 34, Interim Financial Statements, and should be read in conjunction with the Fund's annual financial statements for the year ended 31 December 2023 prepared in accordance with International Financial Reporting Standards ("IFRS").

Cost basis. These financial statements are prepared on the historical cost basis, adjusted for initial recognition of financial instruments at fair value and revaluation of financial instruments at fair value through profit or loss and at fair value through other comprehensive income.

Going concern assumption. The management of the Fund prepared these interim financial statements on a going concern basis.

Functional currency and presentation currency of the interim financial statements. The functional currency of the Fund is the Kazakhstani tenge ("tenge"), which, being the national currency of the Republic of Kazakhstan, best reflects the economic substance of the majority of the Fund's transactions and related circumstances affecting its activities.

The Tenge is also the presentation currency for these interim financial statements.

All figures presented in tenge are rounded to the nearest thousand unless otherwise stated.

Accounting policies. The financial statements used in the preparation of these financial statements are presented below.

Financial instruments are the main approaches to valuation. Fair value is the price that can be received when an asset is sold or paid when a liability is transferred in a transaction on a voluntary basis between market participants at the measurement date. The best evidence of fair value is the quoted price in an active market. An active market is a market in which transactions with an asset or liability are carried out with sufficient frequency and in sufficient volume to obtain information about valuations on an ongoing basis. The fair value of financial instruments traded in an active market is measured at the amount obtained by multiplying the quoted price by the individual asset or liability by the quantity held by the entity. This is the case even if the usual daily trading turnover of the market is insufficient to absorb the amount of assets and liabilities that the enterprise has, and the placement of orders for the sale of positions in a separate operation may affect the quoted price. The price within the bid-ask spread that is most representative of the fair value under the circumstances was used to measure fair value and management considers it to be equal to the last transaction price at the reporting date. The quoted market price used to price financial assets is the current price of demand; and the quoted market price used for financial liabilities is the current offer price.

Transaction costs are incremental costs and relate directly to the acquisition, issue or disposal of a financial instrument. Additional costs are costs that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees acting as sales agents), consultants, brokers and dealers, fees paid to regulators and stock exchanges, and taxes and fees levied on property transfers. Transaction costs do not include premiums or discounts on debt, financing costs, internal administrative costs or storage costs.

Amortized cost is the cost of the asset less principal payments but including accrued interest and for financial assets less any write-down of impairment losses incurred. Accrued interest includes amortization of transaction costs deferred on initial recognition and any premium or discount on the repayment amount using the effective interest method. Accrued interest income and accrued interest expense, including accrued coupon and amortized discount or premium (including deferred fees, if any), are not shown separately but are included in the carrying amounts of the relevant items in the statement of financial position.

Effective interest method - is a method of recognizing interest income or interest expense during the relevant period in order to ensure a constant interest rate in each period (effective interest rate) on the carrying amount of the instrument.

3 Summary of Accounting Policies (continued)

Cash and cash equivalents. Cash and cash equivalents are items that are readily convertible into specified amounts of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents include all interbank deposits and reverse repurchase agreements with other banks with original maturities of less than 3 months. Funds limited to use for a period of more than three months are excluded. Cash and cash equivalents are stated at amortized cost.

Funds in other banks. Funds in other banks are accounted for when the Fund provides cash to counterparty banks in the form of advance payments. Funds held by other banks are carried at amortized cost if (i) they are held for contractual cash flows and these cash flows are solely payments of principal and interest and (ii) they are not designated at fair value through profit or loss.

Investments in debt securities. Based on the business model and cash flow characteristics, the Fund classifies investments in debt securities as measured at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss. Debt securities are carried at amortized cost if they are held for contractual cash flows, these cash flows are solely payments of principal and interest and are not determined to be at fair value through profit or loss on a voluntary basis to significantly reduce accounting inconsistencies.

Loans and advances to customers. Loans and advances to customers are recorded when the Fund provides cash to customers in the form of advance payments for the purpose of acquiring a customer loan or providing a loan to a customer. Based on the business model and cash flow characteristics, the Fund classifies loans and advances to customers into one of the following valuation categories: (i) at amortized cost: loans held for contractual cash flows that are solely payments of principal and interest and loans that are not designated at fair value through profit or loss on a voluntary basis, and (ii) at fair value through profit or loss: Loans that do not meet the SPPI test or other criteria for measurement at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss.

Financial guarantees. Financial guarantees require the Fund to make certain payments to indemnify the holder of the guarantee for losses incurred if the said debtor fails to make timely payment under the original or modified terms of the debt instrument. Financial guarantees are initially recorded at fair value, generally evidenced by the amount of consideration received. This amount is amortized on a straight-line basis over the warranty period. At the end of each reporting period, liabilities are measured at the higher of (i) the amount of the allowance for warranty losses determined using the expected credit loss model and (ii) the remaining unamortized balance of the amount recognized at initial recognition. In addition, an allowance for expected credit losses is recognized for compensation receivables that are recognized in the statement of financial position as an asset.

Performance guarantees. Performance guarantees are contracts providing for compensation if the second party to the contract does not fulfill the liability stipulated by the contract. Such contracts, in addition to credit risk, transfer the risk of non-fulfillment of the liability stipulated by the contract. Performance guarantees are initially recorded at fair value, generally evidenced by the amount of consideration received. This amount is amortized on a straight-line basis over the term of the contract. At the end of each reporting period, performance guarantees are measured at the higher of (i) the unamortized balance of the initial recognition; and (ii) the best estimate of the costs required to settle the contract at the end of the reporting period discounted to present value. If the Fund has the contractual right to apply to the client for reimbursement of amounts paid to settle performance guarantee agreements, these amounts should be recognized as an asset after transferring the loss compensation to the beneficiary under the guarantee. These payments are recognized as commission income in profit or loss.

Damu Entrepreneurship Development Fund JSC
Notes to the Interim Financial Statements for the 9 months of 2024

4 Cash and cash equivalents

<i>(in thousands of Kazakhstani tenge)</i>	September 30, 2024 (unaudited)	December 31, 2023
Balances on demand accounts with the Ministry of Finance of the Republic of Kazakhstan (MF RK)	73,454,583	55,586,431
Reverse sale and repurchase agreements (REPO) with other banks with original maturities of less than three months	5,624,250	42,417,787
Bank account balances on demand	1,400,644	3,038,790
Balances on accounts with the NB RK (except for required reserves)	5,900,950	23,907,543
Notes of the NB RK with a maturity of less than three months	-	35,865
Less provision for impairment	(64)	(11,434)
Total cash and cash equivalents	86,380,363	124,974,982

Balances on demand bank accounts contain funds received to subsidize small and medium-sized enterprises (Note 10).

5 Funds in financial institutions

<i>(in thousands of Kazakhstani tenge)</i>	September 30, 2024 (unaudited)	December 31, 2023
Loans issued to financial institutions	210,623,387	184,486,192
Loans issued under Islamic finance programs	13,767,191	15,952,054
Bank deposits with an original maturity of more than three months	67,542,153	60,081,304
Debt securities of financial institutions	28,473,927	29,793,560
Less provision for loan impairment	(5,958,445)	(6,274,025)
Total funds in financial institutions	314,448,213	284,039,085

Information on the fair value of funds issued is provided in Note 21.

6 Loans and advances to customers

<i>(in thousands of Kazakhstani tenge)</i>	September 30, 2024 (unaudited)	December 31, 2023
Loans to small and medium enterprises	849,292	1,619,047
Receivables from paid guarantees	10,598,741	5,903,027
Less provision for impairment of loan portfolio	(10,684,435)	(6,307,320)
Total loans and advances to customers	763,598	1,214,754

Receivables under paid guarantees represent the Fund's claims in relation to small and medium-sized enterprises to which the Fund issued financial guarantees and for which the Fund made payments in connection with the default of these companies on their loans from second-tier banks. Historically, the Fund has received insignificant payments on these receivables and therefore has recognized an allowance for expected credit losses for the entire amount of these receivables.

Damu Entrepreneurship Development Fund JSC
Notes to the Interim Financial Statements for the 9 months of 2024

7 Investments in debt securities

<i>(in thousands of Kazakhstani tenge)</i>	September 30, 2024(unaudited)	December 31, 2023
Debt securities at fair value through other comprehensive income	7,017,932	4,795,765
Debt securities measured at amortized cost	-	822,838
Debt securities designated as at fair value through profit or loss at initial recognition	73,409	73,518
Total investments in debt securities	7,091,341	5,692,121

The table below discloses investments in debt securities as of September 30, 2024 by category and valuation class.

	Debt securities designated as at fair value through profit or loss at initial recognition	Debt securities measured at amortized cost	Total
<i>(in thousands of Kazakhstani tenge)</i>			
Kazakhstan government bonds	73,409	3,354,841	3,428,250
Corporate bonds	-	3,663,091	3,663,091
Total investments in debt securities as of September 30, 2024	73,409	7,017,932	7,091,341
Allowance for credit losses	-	-	-
Total investments in debt securities as of September 30, 2024 (carrying amount)	73,409	7,017,932	7,091,341

The table below discloses investments in debt securities as of December 31, 2023 by category and valuation class.

	Debt securities designated at fair value through profit or loss at initial recognition	Debt securities at fair value through other comprehensive income	Debt securities measured at amortized cost	Total
<i>(in thousands of Kazakhstan tenge)</i>				
Kazakh government bonds	73,518	1,433,741	-	1,507,259
Corporate bonds	-	3,362,024	-	3,362,024
Bonds of other corporate issuers	-	-	832,377	832,377
Total investments in debt securities as of December 31, 2023	73,518	4,795,765	832,377	5,701,660
Credit loss allowance	-	-	(9,539)	(9,539)
Total investments in debt securities as of December 31, 2023 (book value)	73,518	4,795,765	822,838	5,692,121

Damu Entrepreneurship Development Fund JSC
Notes to the Interim Financial Statements for the 9 months of 2024

8 Other assets

<i>(in thousands of Kazakhstani tenge)</i>	September 30, 2024 (unaudited)	December 31, 2023
Accounts receivable measured at amortized cost	10,572,319	182,596
Less provision for impairment	(115,358)	(112,585)
Total financial assets within other assets	10,456,961	70,011
Security received for non-payments	16,940	382,128
Taxes other than income tax	22,730	171,516
Prepayment for services	191,265	368,705
Raw materials	61,910	71,679
Other	50,292	58,571
Less provision for impairment	(47,602)	(47,099)
Total other assets	10,752,496	1,075,511

Security acquired for non-payments is real estate objects received by the Fund in the settlement of overdue loans. The fund expects to sell these assets in the foreseeable future. These assets do not meet the definition of non-current assets held for sale and are classified as inventories in accordance with IAS 2 "Inventories".

9 Borrowed funds

<i>(in thousands of Kazakhstani tenge)</i>	September 30, 2024 (unaudited)	December 31, 2023
Baiterek NMH JSC	114,430,172	109,095,786
Municipal authorities	38,716,236	38,296,326
Kazchrome Transnational Company Kazchrome JSC	500,042	500,167
Ministry of Finance of the Republic of Kazakhstan	402,185	379,927
Total borrowed funds	154,048,635	148,272,206

For borrowings from the Ministry of Finance of the Republic of Kazakhstan, municipal bodies and the Fund accepts contractual interest rates as market, since these organizations do not provide financing to on a commercial basis. Consequently, there are no such loans on the market. Information on the fair value of borrowed funds is presented in Note 21. Information on transactions with related parties is presented in Note 22.

10 Liabilities under subsidy programs

<i>(in thousands of Kazakhstani tenge)</i>	September 30, 2024 (unaudited)	December 31, 2023
Banks	936,455	2,762,063
Municipal authorities	4,404,940	210,372
Total liabilities under subsidy programs	5,341,395	2,972,435

Obligations under subsidy programs are funds received from local executive bodies, the republican budget from the Ministry of National Economy of the Republic of Kazakhstan, the United Nations Development Program in the Republic of Kazakhstan. " The amounts of subsidies are further transferred to second-tier banks, including their regional branches, as payment for the subsidized part of the interest rate of loans from second-tier banks in accordance with the Joint Order of the Ministries "On Approval of the Rules, forms of state financial support, sectors of the economy in which private business entities operate, subject to state support, "registered in the Register of State Registration of Regulatory Legal Acts under No. 33681 of November 27, 2023.

The increase in obligations to municipal bodies is due to the receipt by the Fund of 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.

Related party transactions are disclosed in Note 22.

11 Deferred income and provision for credit liabilities

<i>(in thousands of Kazakhstani tenge)</i>	September 30, 2024(unaudited)	December 31, 2023
Deferred income from financial guarantees	50,841,368	44,555,056
Financial guarantees (reserve for credit liabilities)	23,672,554	23,838,692
Total deferred income and provision for credit liabilities	74,513,922	68,393,748

Fund guarantees are guarantees issued by the Fund to ensure the fulfillment of obligations of private entrepreneurs to pay part of the principal debt under a loan agreement/financial leasing agreement to second-level banks/microfinance organizations/leasing companies, arising from guarantee agreements, within the guarantee amount, as part of the implementation of the following guarantee programs: Joint order of the ministries "On approval of the rules, forms of state financial support, sectors of the economy in which private business entities subject to state support operate," registered in the Register of State Registration of Regulatory Legal Acts under No. 33681 of November 27, 2023 (hereinafter referred to as the Joint Order), Order of the Minister of Agriculture of the Republic of Kazakhstan dated January 30, 2015 No. 9-1/71 "On Approval of the Rules for Subsidies within the Framework of Guaranteeing and Under government programs.

The Fund is the financial agent between the program administrator/coordinator and the private enterprise entity. Program administrators/coordinators pay the Fund the cost of the guarantee in the amount established by the guarantee program. The received value of the guarantee is attributed to deferred income by direct allocation to income during the life of the issued guarantee.

Information on the fair value of deferred income and provision for credit related liabilities is given in Note 21. Information on transactions with related parties is given in Note 22.

12 Other liabilities

<i>(in thousands of Kazakhstani tenge)</i>	September 30, 2024 (unaudited)	December 31, 2023
Accounts payable	235,754	158,550
Finance lease	587,605	3,083
Accrued liabilities and other creditors	125,988	132,539
Total financial liabilities as part of other liabilities	949,347	294,172
Reserves for unused vacations	82,452	183,463
Accrued employee benefit costs	8,443	194,739
Advances received	89,274	66,473
Taxes payable except income tax	87,404	150,651
Other	257	367
Total other liabilities	1,217,177	889,865

All of the above liabilities will be repaid within 12 months after the end of the reporting period. Information on the fair value of other financial liabilities is given in Note 21. Information on transactions with related parties is provided in Note 22.

Damu Entrepreneurship Development Fund JSC
Notes to the Interim Financial Statements for the 9 months of 2024

13 Share capital

<i>In thousands of Kazakhstani tenge, excluding the number of shares</i>	Number of shares in circulation (thousand)	Ordinary shares	Total
As of January 1, 2023	27,762	102,920,273	102,920,273
New shares issued	0	0	0
As of September 30, 2023	27,762	102,920,273	102,920,273
As of January 1, 2024	27,762	102,920,273	102,920,273
As of September 30, 2024	27,762	102,920,273	102,920,273

On June 12, 2024, at a meeting of the Sole Shareholder, the Fund declared dividends for the year ended December 31, 2023, for a total amount of 27,014,412 thousand tenge. All dividends were paid to the Sole Shareholder.

On May 10, 2023, at a meeting of the Sole Shareholder, the Fund declared dividends for the year ended December 31, 2022, for a total amount of 13.416.382 thousand tenge. All dividends were paid to the Sole Shareholder on 31 May 2023.

14 Net assets per common share.

In accordance with the Listing Rules of the Kazakhstan Stock Exchange, the Fund disclosed information on net assets per one ordinary share, calculated in accordance with the specified Rules:

<i>in thousands of Kazakhstani tenge</i>	September 30, 2024 unaudited	December 31, 2023
Assets	429,344,248	422,135,502
Intangible assets	182,726	264,471
Liabilities	236,126,418	221,563,293
Authorized capital for preferred shares	0	0
Net assets for common shares	193,035,104	200,307,738
Total number of common shares	27,762,244	27,762,244
Book value of a common share (tenge)	6,953.15	7,215.11

15 Earnings per share

<i>(in thousands of Kazakhstani tenge)</i>	Nine months ended	
	September 30, 2024 (unaudited)	September 30, 2023 (unaudited)
Profit attributable to the owner of common shares	21,640,826	42,421,306
Profit due to the owner of preference shares	0	0
Profit for the reporting period	21,640,826	42,421,306
Weighted average number of common shares outstanding	27,762,244	27,762,244
Weighted average number of preferred shares outstanding		0
Basic and diluted earnings per common share, tenge per share	779.50	1,528.02
Basic and diluted earnings per preferred share, tenge per share	0	0

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16 Interest income and expense

<i>(in thousands of Kazakhstani tenge)</i>	Nine months ended	
	September 30, 2024 (unaudited)	September 30, 2023 (unaudited)
Interest income calculated using the effective interest method		
Funds in financial institutions	22,334,404	14,350,260
Cash and cash equivalents	4,052,185	12,770,443
Investment securities measured at fair value through other comprehensive income	374,121	905,082
Loans and advances to customers	265,436	453,856
Investment securities measured at amortized cost	39,623	512,602
Total interest income	27,065,769	28,992,243
Other similar income		
Investment securities measured at fair value through profit or loss	5,132	5,165
Total other similar income	5,132	5,165
Interest expenses		
Borrowed funds	(5,541,849)	(5,970,387)
Debt securities issued	(89,250)	(98,322)
Interest expenses on finance lease	(44,886)	(9,406)
Total interest expenses	(5,675,985)	(6,078,115)
Net interest income	21,394,916	22,919,293

17 Net commission income

<i>(in thousands of Kazakhstani tenge)</i>	Nine months ended	
	September 30, 2024 (unaudited)	September 30, 2023 (unaudited)
Guarantees issued	21,954,373	21,853,618
Financial agent services	402,671	383,099
Total commission income	22,357,044	22,236,717

Commission income consists of income under issued guarantees, subsidizing services for the Main Directorate of the Ministry of National Economy of the Republic of Kazakhstan as an operator and financial agent, and services to support start-up entrepreneurs within the framework of the State Development and Support Program.

18 Tax expense

Income tax expense recognized in profit or loss includes the following:

<i>(in thousands of Kazakhstani tenge)</i>	Nine months ended	
	September 30, 2024 (unaudited)	September 30, 2023 (unaudited)
Current income tax expense	(2,971,219)	(5,098,621)
Deferred income tax expense/(savings)	291,084	(2,239,002)
Income tax expense for the period	(2,680,135)	(7,337,623)

19 Contingent and contractual liabilities

Litigation. From time to time, in the course of its ongoing activities, claims are filed against the Fund in the courts. Based on its own assessment, as well as the recommendations of internal professional advisers, the Fund's management believes that the proceedings will not lead to significant losses for the Fund and, accordingly, has not created a provision for losses on these proceedings in these financial statements.

Credit related liabilities. The main purpose of these instruments is to ensure that funds are made available to clients as needed. Guarantees, which are irrevocable commitments by the Fund to make payments if a customer fails to meet its liabilities to third parties, are subject to the same credit risk as loans. Commitments to extend credit include the unused portion of amounts approved by management for the provision of credit in the form of loans. With respect to loan commitments, the Fund is potentially exposed to the risk of suffering losses in an amount equal to the total amount of undrawn commitments if the undrawn amounts were to be drawn down. However, the likely amount of loss is less than the total amount of undrawn commitments because most loan commitments are contingent on customers meeting certain credit requirements. The Fund monitors the remaining maturity of credit-related liabilities because longer-term liabilities typically have a higher level of credit risk than short-term liabilities.

Credit liabilities are:

<i>(in thousands of Kazakhstani tenge)</i>	September 30, 2024 (unaudited)	December 31, 2023
Guarantees issued	456,360,789	402,036,224
Unused credit lines	5,628,126	4,962,454
Less provision for credit related liabilities	(23,672,554)	(23,838,693)
Total credit commitments less provisions	438,316,361	383,159,985

Total outstanding contract liabilities do not necessarily represent future cash outflows because many of these liabilities may cease to exist without being partially or fully satisfied. Below is an analysis of changes in the provision for credit related liabilities:

<i>(in thousands of Kazakhstani tenge)</i>	Nine months ended	
	September 30, 2024 (unaudited)	September 30, 2023 (unaudited)
Book value as of January 1	(23,838,693)	(34,115,028)
Losses recognized in profit or loss	(6,666,722)	(165,285)
Recovering unused reserves	10,761,086	5,789,815
Reserves created from deferred income	(633,963)	2,287,738
Transfer	(3,294,263)	-
Carrying value at of September 30, 2024	(23,672,554)	(26,202,761)

20 Financial risk management

Risk management is at the heart of the Fund's operations and is an essential element of the Fund's operations. The Fund manages risks through an ongoing process of risk identification, monitoring, assessment and control, as well as through the establishment of risk limits and other internal control systems. The risk management process is critical to maintaining the Fund's stable profitability, and each employee of the Fund is responsible for managing the risks associated with his/her duties. Market risk, which includes price risk, interest rate risk and currency risk, as well as credit and liquidity risk, are the main risks faced by the Fund in the course of its operations.

Rules and procedures of the Fund for risk management. The Fund's risk management policy aims to identify, analyze and manage the risks to which the Fund is exposed, to establish risk limits and appropriate controls, and to continually assess the level of risks and their compliance with established limits. Risk management policies and procedures are reviewed on a regular basis to reflect changes in market conditions, products and services offered, and emerging best practice.

Currency risk is the risk of changes in the fair value or future cash flows of a financial instrument due to changes in exchange rates.

Currency risk arises when available or forecasted assets denominated in a currency are greater than or less than available or forecasted liabilities denominated in the same currency. The Board of the Fund, taking into account the assessment of currency risk, makes decisions on the structure of the assets and liabilities of the Fund in the context of financial instruments denominated in foreign currency, and establishes the permissible amount of currency risk and the limit on the size of the open currency position.

The structure of financial assets and liabilities by currency as of September 30, 2024 can be presented as follows:

<i>(in thousands of Kazakhstani tenge)</i>	Tenge	US dollar	Total
FINANCIAL ASSETS			
Cash and cash equivalents	86,380,363	-	86,380,363
Investments in debt securities	3,428,249	3,663,092	7,091,341
Funds in financial institutions	314,441,309	6,904	314,448,213
Accounts receivable from subsidy programs	10,602	-	10,602
Loans and advances to customers	763,598	-	763,598
Other financial assets	10,456,961	-	10,456,961
Total financial assets	415,481,082	3,669,996	419,151,078
FINANCIAL LIABILITIES			
Borrowed funds	153,646,450	402,185	154,048,635
Debt securities issued	1,005,289	-	1,005,289
Liabilities under subsidy programs	5,341,395	-	5,341,395
Deferred income and provision for credit liabilities	74,513,922	-	74,513,922
Other financial liabilities	949,347	-	949,347
Total financial liabilities	235,456,403	402,185	235,858,588
Net position as at September 30, 2024	180,024,679	3,267,811	183,292,490

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20 Financial risk management (continued)

The structure of financial assets and liabilities by currency as of December 31, 2023 can be presented as follows:

<i>(in thousands of Kazakhstani tenge)</i>	Tenge	US dollar	Total
FINANCIAL ASSETS			
Cash and cash equivalents	124,974,982		124,974,982
Investments in debt securities	2,330,097	3,362,024	5,692,121
Funds in financial institutions	283,997,025	42,060	284,039,085
Accounts receivable from subsidy programs	136,338	-	136,338
Loans and advances to customers	1,214,754	-	1,214,754
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 issued	1,035,039	-	1,035,039
Liabilities under subsidy programs	2,972,435	-	2,972,435
Deferred income and provision for credit liabilities	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 as at December 31, 2023	192,135,534	3,024,157	195,159,691

21 Fair value disclosures

The results of the fair value measurement are analyzed and distributed across the levels of the fair value hierarchy as follows: (i) Level 1 includes quoted price estimates (uncorrectable) in active markets for identical assets or liabilities, (ii) to Level 2 - obtained by valuation techniques in which all material inputs used are directly or indirectly observable for the asset or liability (i.e., e.g., prices), and (iii) Level 3 estimates, which are estimates not based on observable market data (i.e., based on unobservable inputs). Management makes judgments to categorize financial instruments into fair value hierarchies. If observable inputs requiring significant adjustments are used for the fair value measurement, that measurement falls within Level 3. The significance of the inputs used is assessed for the entirety of the fair value measurement.

(a) Recurring fair value measurements

Recurring fair value measurements are measurements required or permitted by other IFRSs in the statement of financial position at the end of each reporting period. The table below shows the levels in the fair value hierarchy into which Recurring fair value measurements relate:

<i>(in thousands of Kazakhstani tenge)</i>	September 30, 2024		December 31, 2023	
	Level 1	Level 2	Level 1	Level 2
Cash and cash equivalents				
- Notes of the NB RK				35,865
FINANCIAL ASSETS				
Investment debt securities				
<i>measured at fair value through profit or loss</i>				
- Kazakhstan government bonds	-	73,409	-	73,518
Investment debt securities				
<i>measured at fair value through other comprehensive income</i>				
- Kazakhstan government bonds	-	3,354,841	-	1,433,741
-Bonds of National Welfare Fund Samruk-Kazyna JSC	-	3,663,091	-	3,362,024
Funds in financial institutions				
-Bonds of STB RK	-	607,105	-	582,700
TOTAL ASSETS RECURRING VALUED AT FAIR VALUE	-	7,698,446	-	5,487,848

The fair value of investment securities was assessed using the rates of Kazakhstan Stock Exchange JSC. Due to insignificant trading volumes with similar instruments, these investment securities are assigned to Level 2.

Damu Entrepreneurship Development Fund JSC
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21 Fair value disclosures (continued)

(b) Assets and liabilities not measured at fair value for which fair value disclosure is provided

<i>(in thousands of Kazakhstani tenge)</i>	September 30, 2024 (unaudited)			Book value
	Level 1	Level 2	Level 3	
FINANCIAL ASSETS				
Cash and cash equivalents	5,900,950	80,479,413	-	86,380,363
Funds in financial institutions				
- Loans issued to financial institutions and loans issued under Islamic finance programs	-	282,879,819	-	218,616,925
- Deposits in banks with an original maturity of more than three months	-	67,359,536	-	67,359,536
Debt securities of financial institutions	-	-	30,979,544	28,471,752
Accounts receivable from subsidy programs				
- Accounts receivable from subsidy programs	-	-	10,602	10,602
Loans and advances to customers				
- Loans issued to small and medium-sized enterprises	-	-	763,598	763,598
Investment securities measured at amortized cost				
- Other	-	-	-	-
Other financial assets				
- Other	-	-	10,456,961	10,456,961
TOTAL FINANCIAL ASSETS CARRIED AT AMORTIZED COST	5,900,950	430,718,768	42,210,706	412,059,737
FINANCIAL LIABILITIES				
Borrowed funds				
- Baiterek NMH JSC	-	60,002,039	-	114,430,172
- Ministry of Finance of the Republic of Kazakhstan	-	402,185	-	402,185
- Municipal authorities	-	26,765,497	-	38,716,236
- "Transnational company "Kazchrome"	-	246,499	-	500,042
Debt securities issued	-	-	1,005,289	1,005,289
Liabilities under subsidy programs				
- Municipal authorities	-	-	4,404,940	4,404,940
- Banks	-	-	936,455	936,455
Deferred income and provision for credit liabilities				
- Revenue of the future periods	-	-	50,841,368	50,841,368
- Financial guarantees	-	-	23,672,554	23,672,554
Other financial liabilities				
- Other	-	-	949,347	949,347
TOTAL FINANCIAL LIABILITIES RECOGNIZED AT AMORTIZED COST	-	87,416,220	81,809,953	235,858,588

Cash and cash equivalents. Cash held by the National Bank of the Republic of Kazakhstan with a maturity of less than three months is designated as level 1, all other funds are designated as level 2. The fair value of these funds is equal to the carrying amount.

Loans and advances to customers, financial institutions and borrowed funds. Fair value at Level 2 of the fair value hierarchy was estimated using a discounted cash flow model. The fair value of fixed interest rate instruments that are not quoted in an active market was estimated based on estimated future cash flows discounted using prevailing market interest rates for new instruments with similar credit risk and maturity.

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21 Fair value disclosures (continued)

Investment securities are carried at amortized cost. Fair value at Level 3 of the fair value hierarchy was estimated using a discounted cash flow model. The fair value of fixed interest rate instruments that are not quoted in an active market was estimated based on estimated future cash flows discounted using prevailing market interest rates for new instruments with similar credit risk and maturity.

<i>(in thousands of Kazakhstani tenge)</i>	December 31, 2023			Book value
	Level 1	Level 2	Level 3	
FINANCIAL ASSETS				
Cash and cash equivalents	23,907,543	101,031,574	-	124,939,117
Funds in financial institutions				
- Loans issued to financial institutions and loans issued under Islamic finance programs	-	155,250,934	-	194,347,666
- Debt securities of financial institutions	-	582,700	29,210,860	29,793,560
- Deposits in banks with an original maturity of more than three months	-	59,899,947	-	59,899,947
Accounts receivable from subsidy programs				
- Accounts receivable from subsidy programs	-	-	136,338	136,338
Loans and advances to customers				
- Loans issued to small and medium-sized enterprises	-	-	1,214,754	1,214,754
Investment securities measured at amortized cost				
- Other financial assets	-	-	822,838	822,838
- Other	-	-	70,011	70,011
TOTAL FINANCIAL ASSETS CARRIED AT AMORTIZED 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
- Ministry of Finance of the Republic of Kazakhstan	-	379,927	-	379,927
- Municipal authorities	-	26,092,056	-	38,296,326
- Transnational company Kazchrome JSC	-	218,538	-	500,167
- Debt securities issued	-	-	1,035,039	1,035,039
Liabilities under subsidy programs				
- Municipal authorities	-	-	210,372	210,372
- Banks	-	-	2,762,063	2,762,063
Deferred income and provision for credit liabilities				
- Revenue of the future periods	-	-	44,555,056	44,555,056
- Financial guarantees	-	-	23,838,692	23,838,692
Other financial liabilities				
- Other	-	-	294,172	294,172
TOTAL FINANCIAL LIABILITIES RECOGNIZED AT AMORTIZED COST	-	82,857,177	72,695,394	220,967,600

Liabilities under subsidy programs and deferred income and provision for credit liabilities with a maturity of less than a year are classified as level 3. The fair value of these funds is equal to the carrying amount.

22 Related party transactions

Parties are considered to be related if they are under common control, or one of them has the ability to control the other, or may exercise significant influence in the other party's financial and operational decisions. When considering relationships with all related parties, the economic content of such relationships, and not only their legal form, is taken into account.

The balances as of September 30, 2024 for transactions with related parties are as follows:

<i>(in thousands of Kazakhstani tenge)</i>	Sole Shareholder	Companies under common control	Other related parties
Cash and cash equivalents	-	271,314	79,365,591
Funds in banks	-	54,925,762	9,568,527
Investment debt securities measured at fair value through profit or loss	-	-	73,409
Investment debt securities measured at fair value through other comprehensive income	-	-	7,017,932
Prepayment of current income tax liabilities	-	-	5,679,720
Deferred tax asset	-	-	1,395,507
Other financial assets	-	-	-
Other assets	-	-	23,043
Borrowed funds (negotiable interest rate)	114,430,172	-	39,618,463
Liabilities under subsidy programs	-	-	4,404,764
Deferred tax liability	-	-	-
Other financial liabilities	-	158,779	-
Other liabilities	-	-	94,108

The following items of income and expense from transactions with related parties for the Nine months ended September 30, 2024 are presented below:

<i>(in thousands of Kazakhstan tenge)</i>	Единственный Акционер	Компании под общим контролем	Прочие связанные стороны
Interest income	-	5,221,475	1,175,752
Interest expense	(5,529,886)	(11,976)	(11,963)
Fee income	-	-	361,488
Net gains on revaluation of securities at fair value through profit or loss	-	-	1,299
Net gains/(losses) on foreign exchange transactions	-	-	173,170
Net gains/(losses) arising on initial recognition of financial instruments at below/above market rates:	-	-	(2,823,225)
Net income from derecognition of financial assets measured at amortised cost	-	-	-
Provision for loan impairment	-	-	23,526
Provision for impairment of other financial assets and credit-related liabilities	-	15,214	1
Administrative and other operating expenses	-	(88,529)	(60,104)
Income tax expense	-	-	(2,680,135)
Other income/expenses	-	121	3,527

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Notes to the Interim Financial Statements for the 9 months of 2024

22 Related party transactions (continued)

The aggregate amount of borrowings received from related parties and repaid by the Fund during the Nine months ended September 30, 2024 is as follows:

<i>(in thousands of Kazakhstani tenge)</i>	Sole Shareholder	Companies under common control	Other related parties
Amount of borrowings received from related parties during the period	-	-	4,390,000
Amount of borrowed funds repaid by the Fund during the period	(195,500)	-	(3,981,678)

The balances as of December 31, 2023 for transactions with related parties are as follows:

<i>(in thousands of Kazakhstani tenge)</i>	Sole Shareholder	Companies under common control	Other related parties
Cash and cash equivalents	-	482,450	79,533,659
Funds in banks	-	55,967,079	7,035,462
Accounts receivable from subsidy programs	-	-	136,338
Investment debt securities measured at fair value through profit or loss	-	-	73,518
Investment debt securities measured at fair value through other comprehensive income	-	-	4,795,765
Investment debt securities measured at amortized cost	-	-	822,838
Prepayment of current income tax liabilities	-	-	2,075,574
Deferred tax asset	-	-	582,713
Other financial assets	-	40,449	-
Other assets	-	298	171,692
Borrowed funds	109,095,786	-	39,176,420
Liabilities under subsidy programs	-	-	249,480
Deferred tax liability	-	-	1,835,530
Other financial liabilities	-	1,047	-
Other liabilities	-	-	170,807

The following items of income and expense from transactions with related parties for the Nine months ended September 30, 2023 are presented below:

<i>(in thousands of Kazakhstan tenge)</i>	Sole Shareholder	Companies under common control	Other related parties
Interest income	-	3,785,286	959,006
Interest expense	(5,167,614)	(2,509)	(539,420)
Fee income	-	-	383,098
Net gain on revaluation of securities at fair value through profit or loss	-	-	(365)
Net gains/(losses) on foreign exchange transactions	-	-	77,885
Net gain on derecognition of financial assets measured at amortised cost	-	-	346,554
Provision for impairment	-	4,802,882	40,604
Administrative and other operating expenses	-	(39,421)	(80,411)
Income tax expense	-	-	(7,337,623)

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The aggregate amount of borrowings received from related parties and repaid by the Fund during the Nine months ended September 30, 2023 is as follows:

	Sole Shareholder	Companies under common control	Other related parties
<i>(in thousands of Kazakhstani tenge)</i>			
Amount of borrowings received from related parties during the period	-	-	4,350,000
Amount of borrowed funds repaid by the Fund during the period	(195,500)	-	(3,801,802)

Transactions with related parties without collateral. Balance sheets with related parties are not credit-impaired.

23 Events after the end of the reporting period

No significant events occurred after the reporting date.