

**Agrarian Credit Corporation
Joint Stock Company**

Condensed Interim Financial Statements

for the six months ended 30 June 2021

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Independent Auditors' Report on Review of Condensed Interim Financial Information

To the Shareholder and Board of Directors of Agrarian Credit Corporation Joint Stock Company

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Agrarian Credit Corporation Joint Stock Company (the "Company") as at 30 June 2021, and the related condensed interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the six months then ended, and notes to the condensed interim financial information (the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with IAS 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.

Basis for Qualified Conclusion

As described in Note 3 to the condensed interim financial Information, in prior periods the Company accounted for the difference between cash received and fair value of loans from state and budget organisations and shareholder received under the government programmes (Notes 8 and 10) in equity as financial aid from a shareholder. Under the same government programmes, the Company issued loans to the end borrowers at below market interest rates and accounted for the difference between the funds issued and fair value of the loans provided as distribution to the shareholder. The Company revised its accounting of these transactions and determined that the above-mentioned differences should be accounted for in accordance with International Financial Reporting Standard (IAS) 20 *Accounting for Government Grants and Disclosure of Government Assistance*. However, the adjustment has not been reported retrospectively as at 30 June 2020 and for the six months then ended as required by International Financial Reporting Standard (IAS) 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The effects of this departure from International Financial Reporting Standards on comparative information as at 30 June 2020 and for the six months then ended have not been determined. Our conclusion has been modified because of the effects of the matter on the comparability of the current period's figures and the corresponding figures.

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Qualified Conclusion

Based on our review, except for the effects on the corresponding figures as at 30 June 2020 and for the six months then ended of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the condensed interim financial information as at 30 June 2021 and for the six months then ended is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Emphasis of Matter

We draw attention to Note 3 to the condensed interim financial information which describes that the comparative information presented in the statements of financial position as at 31 December 2020 and 1 January 2020 has been restated. Our conclusion is not modified in respect of this matter.


Other Matter Relating to Restatement of Comparative Information

The financial statements of the Company as at 31 December 2020 and 31 December 2019 and for the years then ended, excluding the adjustments described in Note 3 to the condensed interim financial information were audited by other auditors who expressed an unmodified opinions on those financial statements on 25 February 2021 and 10 April 2020.

As part of our review of the condensed interim financial information as at 30 June 2021 and for the six months then ended, we reviewed the adjustments described in Note 3 that were applied to restate the comparative information presented in the statements of financial position as at 31 December 2020 and 1 January 2020. We were not engaged to audit, review, or apply any procedures to the financial statements of the Company for the years ended 31 December 2020 and 1 January 2020, other than with respect to the adjustments described in Note 3. Accordingly, we do not express a conclusion or any other form of assurance on those financial statements taken as a whole. However, nothing has come to our attention that causes us to believe that such adjustments are not appropriate and have not been properly applied.

Other Matter

The corresponding figures for the six months ended 30 June 2020 are not reviewed or audited.



Assel Urdabayeva
Authorised representative (Audit Partner)

KPMG Audit LLC

Almaty, Republic of Kazakhstan

9 September 2021

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at 30 June 2021

In KZT'000

	Note	30 June 2021 (unaudited)	31 December 2020 (restated)	1 January 2020 (restated)
Assets				
Cash and cash equivalents	4	77,128,098	75,643,105	48,578,130
Loans to banks	5	44,569,656	14,941,678	45,063,483
Loans to customers	6	500,756,757	449,226,953	361,783,687
Assets held for sale		2,637,765	3,409,307	1,880,310
Investment securities		599,435	670,250	604,896
Investment property	7	4,545,070	438,163	447,821
Property, plant and equipment		322,300	314,557	367,500
Intangible assets		232,292	245,064	254,653
Current corporate income tax assets		447,025	–	–
Deferred corporate income tax assets		–	362,905	2,370,077
Other assets		3,474,582	2,286,977	3,950,687
Total assets		634,712,980	547,538,959	465,301,244
Liabilities				
Payables to the Shareholder	8	104,684,200	164,128,030	155,214,588
Payables to the Government of the Republic of Kazakhstan	9	66,627,266	–	–
Payables to state and budget organisations	10	47,038,972	44,770,133	36,435,103
Due to credit institutions		–	–	9,876,118
Debt securities issued	11	213,512,914	164,197,490	86,340,978
Accrued employee benefit costs		433,379	447,545	373,023
Current corporate income tax liabilities		–	49,345	135,976
Deferred corporate income tax liabilities		6,357,645	–	–
Government grants	12	13,178,628	12,471,564	21,251,923
Other liabilities		2,067,303	1,737,203	2,260,291
Total liabilities		453,900,307	387,801,310	311,888,000
Equity				
Share capital	13	173,995,626	167,809,534	167,809,534
Reserve capital	13	11,237,766	5,339,751	5,339,751
Accumulated losses		(4,420,719)	(13,411,636)	(19,736,041)
Total equity		180,812,673	159,737,649	153,413,244
Total liabilities and equity		634,712,980	547,538,959	465,301,244
Carrying value of one ordinary share (in KZT)	13	999.01	948.65	910.98

Signed and authorised for issue on behalf of the Management Board of the Company:

Aliyev Arman Kokishevich  Deputy Chairman of the Management BoardZaitullayeva Irina Nikolayevna  Chief Accountant

9 September 2021



The selected explanatory notes set out on pages 10 to 28 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2021

In KZT'000

	Note	Unaudited for the six months ended 30 June	
		2021	2020*
Interest income calculated using the effective interest method			
Cash and cash equivalents		2,626,361	2,899,008
Loans to banks		1,776,270	2,411,821
Loans to customers		32,293,751	28,460,833
Investment securities		32,601	32,816
		36,728,983	33,804,478
Other interest income			
Other assets		118,944	57,630
		36,847,927	33,862,108
Interest expense			
Payables to the Shareholder		(6,321,015)	(5,978,512)
Payables to the Government of the Republic of Kazakhstan		(2,339,241)	(2,372)
Payables to state and budget organisations		(1,926,952)	(1,627,614)
Due to credit institutions		-	(59,203)
Debt securities issued		(8,084,392)	(4,273,889)
Other liabilities		(13,579)	(20,012)
		(18,685,179)	(11,961,602)
Net interest income		18,162,748	21,900,506
Expenses on credit losses	14	(7,872,080)	(9,541,796)
Net interest income net of expenses on credit losses		10,290,668	12,358,710
Net foreign exchange loss		(510)	(144)
Personnel expenses		(1,959,749)	(1,853,103)
Other operating expenses		(1,052,300)	(879,800)
Other expenses	15	(7,122,234)	(408,001)
Non-interest expense		(10,134,793)	(3,141,048)
Profit before corporate income tax		155,875	9,217,662
Corporate income tax expense	16	(135,871)	(1,568,557)
Profit for the period		20,004	7,649,105

*unaudited, unreviewed

Signed and authorised for issue on behalf of the Management Board of the Company:

Aliyev Arman Kokishevich

Deputy Chairman of the Management Board

Zaitullayeva Irina Nikolayevna

Chief Accountant

9 September 2021

The selected explanatory notes set out on pages 10 to 28 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2021

In KZT'000

	<i>Unaudited for the six months ended 30 June</i>	
	<i>2021</i>	<i>2020*</i>
Profit for the period	20,004	7,649,105
Other comprehensive income for the period	-	-
Total comprehensive income for the period	20,004	7,649,105

unaudited, unreviewed*Signed and authorised for issue on behalf of the Management Board of the Company:**

Aliyev Arman Kokishevich



Deputy Chairman of the Management Board

Zaitullayeva Irina Nikolayevna



Chief Accountant

9 September 2021



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 June 2021**

In KZT'000

	Note	Share capital	Additional paid-in capital (restated)	Reserve capital	Provision for conditional distribution (restated)	Accumulated losses	Total
As previously reported at 31 December 2019		167,809,534	58,624,854	5,339,751	(67,467,287)	4,530,893	168,837,745
Correction		-	(58,624,854)	-	67,467,287	(24,266,934)	(15,424,501)
Restated at 1 January 2020		167,809,534	-	5,339,751	-	(19,736,041)	153,413,244
Total comprehensive income for the period (unaudited)*		-	-	-	-	7,649,105	7,649,105
Income from initial recognition of loans received from the Shareholder at fair value, net of taxes (unaudited)*		-	8,250,589	-	-	-	8,250,589
Provision for conditional distribution for year, net of tax (unaudited)*		-	-	-	(7,529,609)	-	(7,529,609)
Distribution to the Shareholder (unaudited)*		-	-	-	-	(1,680,571)	(1,680,571)
Dividends declared (unaudited)*	13	-	-	-	-	(16,034,036)	(16,034,036)
At 30 June 2020 (unaudited)*		167,809,534	8,250,589	5,339,751	(7,529,609)	(29,801,543)	144,068,722
As previously reported at 31 December 2020		167,809,534	70,446,355	5,339,751	(84,687,953)	8,156,906	167,064,593
Correction		-	(70,446,355)	-	84,687,953	(21,568,542)	(7,326,944)
Restated at 1 January 2021		167,809,534	-	5,339,751	-	(13,411,636)	159,737,649
Total comprehensive income for the period (unaudited)	13	6,186,092	-	-	-	20,004	20,004
Increase in share capital (unaudited)		-	-	-	-	-	6,186,092
Income from initial recognition and modification of loans received from the Shareholder at fair value, net of taxes (unaudited)	8	-	-	-	-	33,375,744	33,375,744
Increase in reserve capital (unaudited)	13	-	-	5,898,015	-	(5,898,015)	-
Distribution to the Shareholder (unaudited)	11	-	-	-	-	(4,744,781)	(4,744,781)
Dividends paid (unaudited)	13	-	-	-	-	(13,762,035)	(13,762,035)
At 30 June 2021 (unaudited)		173,995,626	-	11,237,766	-	(4,420,719)	180,812,673

*unaudited, unreviewed

Signed and authorised for issue on behalf of the Management Board of the Company:

Aliyev Arman Koktshovich  Deputy Chairman of the Management Board

Zaitullayeva Irina Nikolayevna  Chief Accountant

9 September 2021



The selected explanatory notes set out on pages 10 to 28 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF CASH FLOWS

for the six months ended 30 June 2021

In KZT'000

	Note	Unaudited for the six months ended 30 June	
		2021	2020*
Cash flows from operating activities			
Interest received		17,555,509	14,637,005
Interest paid		(9,696,169)	(7,009,606)
Personnel expenses paid		(1,917,346)	(1,212,036)
Other operating expenses paid		(1,069,707)	(1,276,338)
Cash flows from operating activities before changes in operating assets and liabilities		4,872,287	5,139,025
<i>Net (increase)/decrease in operating assets</i>			
Loans to banks		(30,138,295)	(16,006,381)
Loans to customers		(56,415,829)	(68,318,520)
Other assets		(320,795)	114,705
<i>Net increase/(decrease) in operating liabilities</i>			
Government grants		3,479,009	(545,911)
Other liabilities		107,268	1,371,680
Net cash used in operating activities before corporate income tax paid		(78,416,355)	(78,245,402)
Corporate income tax paid		(966,289)	(1,115,051)
Net cash used in operating activities		(79,382,644)	(79,360,453)
Cash flows from investing activities			
Addition/acquisition of property, plant and equipment		(9,233)	(51,682)
Acquisition of intangible assets		(44,818)	(9,487)
Net cash used in investing activities		(54,051)	(61,169)
Cash flows from financing activities			
Proceeds from loans from the Government of the Republic of Kazakhstan	9	70,000,000	70,000,000
Repayment of loans from credit institutions		-	(9,800,000)
Proceeds from loans from the Shareholder		18,591,199	17,643,702
Repayment of loans from the Shareholder		(38,655,545)	(3,115,193)
Debt securities issued		48,951,457	11,244,556
Redemption of debt securities issued		(7,651,521)	-
Proceeds from loans from state and budget organisations	10	7,070,000	12,856,780
Repayment of loans from state and budget organisations		(3,621,681)	(1,562,343)
Dividends paid	13	(13,762,035)	-
Net cash from financing activities		80,921,874	97,267,502
Effect of expected credit losses on cash and cash equivalents	4	(186)	1,099
Net movement in cash and cash equivalents		1,484,993	17,846,979
Cash and cash equivalents as at the beginning of the period		75,643,105	48,578,130
Cash and cash equivalents at the end of the period	4	77,128,098	66,425,109

*unaudited, unreviewed

Signed and authorised for issue on behalf of the Management Board of the Company:

Aliyev Arman Kokishevich

Deputy Chairman of the Management Board

Zaitullayeva Irina Nikolayevna

Chief Accountant

9 September 2021

The selected explanatory notes set out on pages 10 to 28 form an integral part of these condensed interim financial statements.

In KZT'000

1. Reporting entity

Agrarian Credit Corporation Joint Stock Company (hereinafter, the "Company") was established by the Decree of the Government of the Republic of Kazakhstan No. 137 dated 25 January 2001 "On the Issues of the Agricultural Sector Lending" as a joint stock company in accordance with the legislation of the Republic of Kazakhstan. The Company is operating on the basis of a license to carry out operations provided for by the banking legislation of the Republic of Kazakhstan, No. 5.2.24 dated 5 November 2013, issued by the Committee for Regulation and Supervision of the Financial Market and Financial Institutions under the National Bank of the Republic of Kazakhstan. The activities of the Company are regulated by the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Markets and Financial Institutions.

The Company's principal activity is implementation of the government programmes to support the agricultural sector; attraction of the domestic and foreign investments to implement its own projects in the agro-industrial complex; development and implementation of projects in the agro-industrial complex; sale of the pledge property and agricultural products received as repayment of the funds granted and to perform bank borrowing operations on the basis of the relevant license; performance of the leasing activities, and other activities not prohibited by the legislative acts that meet the goals and objectives of the Company provided for by its Charter.

The Company's financing activities stipulate specific requirements and restrictions on the use of funds. The interest rate on loans provided to customers is lower than the market rate due to implementation of the agricultural development programmes in the Republic of Kazakhstan.

As at 30 June 2021 and 31 December 2020, the Company had 17 registered branches in the Republic of Kazakhstan.

Until 18 March 2021, KazAgro National Management Holding Joint Stock Company owned 100% of the Company's shares. In accordance with section 52 of the National Action Plan for the Implementation of President of Kazakhstan's State of the Nation Address of 1 September 2020 "Kazakhstan in a New Reality: Time for Action," approved by the Decree No. 413 of the President of the Republic of Kazakhstan of 14 September 2020, a single development institution has been established through the merger of National Managing Holding Baiterek Joint Stock Company and KazAgro National Management Holding Joint Stock Company.

On 18 March 2021, 100% of the Company's shares were transferred to National Managing Holding Baiterek Joint Stock Company.

As at 30 June 2021, 100% of the Company's shares are owned by National Management Holding "Baiterek" JSC ("Baiterek" or "Shareholder").

The Company's ultimate owner is the Government of the Republic of Kazakhstan.

The Company's registered office is 11 Imanov Street, Nur-Sultan, Republic of Kazakhstan.

Kazakhstan business environment

The Company's operations are primarily located in Kazakhstan. Consequently, the Company is exposed to the economic and financial markets of Kazakhstan which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in Kazakhstan. Depreciation of the Kazakhstan Tenge, volatility in the global price of oil and the COVID-19 coronavirus pandemic have also increased the level of uncertainty in the business environment. The condensed interim financial statements reflect management's assessment of the impact of the Kazakhstan business environment on the operations and the financial position of the Company. The future business environment may differ from management's assessment.

2. Basis of preparation

Statement of compliance

These interim condensed financial statements for the six months ended 30 June 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual financial statements as at and for the year ended 31 December 2020.

These interim condensed financial statements do not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs").

Basis of measurement

The interim condensed financial statements are prepared on the historical cost basis.

In KZT'000

Functional and presentation currency

The functional currency of the Company is the Kazakhstan Tenge (KZT) as, being the national currency of the Republic of Kazakhstan, it reflects the economic substance of the majority of underlying events and circumstances relevant to them. Tenge is also the presentation currency for the purposes of these interim condensed financial statements.

Financial information presented in KZT is rounded to the nearest thousand.

Use of estimates and judgements

Preparing the interim condensed financial statements requires management to make judgements, estimates assumptions that affect the application of accounted policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from those estimates. Assumptions and estimates made are continually reviewed for changes. Changes in accounting estimates are recognised in the period in which the estimates are revised and in each future period in which a change in the estimate will affect the interim condensed financial information.

The significant judgements described in Notes 5,6,8,9,10,11 and 18 made by management in applying the Company's accounting policies are the key sources of estimation uncertainty were the same as those that applied to the last annual financial statements, except for the significant judgements in application of accounting policies and assumptions areas described in Notes 3 and 12.

3. Significant accounting policies

The accounting policies applied in these interim condensed financial statements are the same as those the Company applied for preparation of the last financial statements, except for application of accounting policies for government grants shown below.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2021, they do not have a material effect on the Company's interim condensed financial statements.

Impact of error correction and presentation of comparative data

During the preparation of the interim condensed financial statements for the six months ended 30 June 2021, management performed certain restatements and reclassifications that affected comparatives to conform with the presentation of the interim condensed financial statements for the six months ended 30 June 2021.

Government grants

In accordance with IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance", government grants are assistance provided by the Government and budget organisations in the form of transferring the Company's resources in exchange for meeting certain conditions in the past or the future relating to the Company's operations. Government grants are not recognised unless there is reasonable assurance that the Company will comply with all related conditions and receive such grants. If there are conditions that may require repayment, subsidies are recognized in other liabilities.

The benefit from receiving a state loan at a lower than the market rate is accounted for as a state subsidy. The benefit of using the interest rate below the market rate is measured as the difference between the original carrying amount of the loan and the proceeds.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as an expense the related costs for which the grant is intended.

During the six months ended 30 June 2021, the Company determined that in prior periods it recognised state and budget organisations' loans, loans received from the Shareholder which were financed by the state program on Agrobusiness Development not in accordance with IAS 20 and accounted the difference between cash received and the fair value of the loans as additional paid-in capital. Accordingly, when the Company entered into loan agreements to provide loans at below market interest rates, the difference between the funds issued and the fair value of the loans granted was accounted within the provision for contingent distribution reserve as an estimated distribution to the shareholder. Accordingly, the Company did not apply the requirements of IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance" in the accounting for such transactions, which was corrected during the six months ended 30 June 2021. This accounting treatment was consistent with the group accounting policy of the "National Management Holding" KazAgro" JSC. Management of the Company has restated the comparative figures as at 31 December 2020 and 2019, but did not reflect the corresponding adjustments as at 30 June 2020 and for the six months then ended.

The abovementioned changes resulted in increase of liabilities and decrease of equity of the Company as at 31 December 2020 and 2019.

In KZT'000

Highly liquid financial assets with an initial maturity of less than three months

The Company made classification of highly liquid investment securities with an initial maturity of less than three months to cash and cash equivalents that would result in more relevant and reliable presentation. This classification affected comparative information, for the purpose of presentation of the condensed interim financial statements for the six months ended 30 June 2021.

This reclassification affected a change in the classification of items in the statement of financial position as at 31 December 2020.

Additional paid-in capital

The Company decided to classify discounts at initial recognition of loans from Shareholder received at below market interest rates previously included into additional paid-in capital to the accumulated losses. This classification affected comparative information, for the purpose of presentation of the condensed interim financial statements for the six months ended 30 June 2021.

Contingent distribution reserve

The Company decided to classify contingent distribution reserve accumulated due to issuance of loans at below market interest rate to the accumulated losses. This classification affected comparative information, for the purpose of presentation of the condensed interim financial statements for the six months ended 30 June 2021.

The effect of changes due to restatements and reclassifications on the corresponding figures may be presented as follows:

	As previously reported	Effect of corrections	Effect of reclassification	Restated/ Reclassified
Statement of Financial Position as at 31 December 2020				
Assets				
Cash and cash equivalents	48,744,242	-	26,898,863	75,643,105
Investment securities	27,569,113	-	(26,898,863)	670,250
Finance lease receivables	740,711	-	(740,711)	-
Deferred corporate income tax assets	-	1,831,737	(1,468,832)	362,905
Other assets	1,546,266	-	740,711	2,286,977
Liabilities				
Government grants	-	9,158,681	3,312,883	12,471,564
Deferred corporate income tax liabilities	1,468,832	-	(1,468,832)	-
Other liabilities	5,050,086	-	(3,312,883)	1,737,203
Equity				
Additional paid capital	70,446,355	(70,446,355)	-	-
Contingent distribution reserve	(84,687,953)	-	84,687,953	-
Retained earnings/(Accumulated losses)	8,156,906	63,119,411	(84,687,953)	(13,411,636)
<hr/>				
	As previously reported	Effect of corrections	Effect of reclassification	Restated/ Reclassified
Statement of Financial Position as at 31 December 2019				
Assets				
Deferred corporate income tax assets	-	3,856,126	(1,486,049)	2,370,077
Liabilities				
Government grants	-	19,280,627	1,971,296	21,251,923
Deferred corporate income tax liabilities	1,486,049	-	(1,486,049)	-
Other liabilities	4,231,587	-	(1,971,296)	2,260,291
Equity				
Additional paid capital	58,624,854	(58,624,854)	-	-
Contingent distribution reserve	(67,467,287)	-	67,467,287	-
Retained earnings/ (Accumulated losses)	4,530,893	43,200,353	(67,467,287)	(19,736,041)

In KZT'000

4. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	<i>30 June 2021 (unaudited)</i>	<i>31 December 2020 (restated)</i>
Cash on current bank accounts	68,935,383	43,081,608
NBRK notes	6,953,824	26,899,894
Overnight deposits with other banks	1,240,728	5,663,254
Cash on hand	15	15
	77,129,950	75,644,771
Less: allowance for expected credit losses (ECL)	(1,852)	(1,666)
Cash and cash equivalents	77,128,098	75,643,105

As at 30 June 2021, cash and cash equivalents are not past due and categorised into Stage 1 (31 December 2020: cash and cash equivalents are not past due and categorised into Stage 1).

As at 30 June 2021 and 30 December 2020, the credit quality of cash and cash equivalents balances may be summarised based on Standard and Poor's or other agencies converted into Standard & Poor's scale as follows:

	<i>30 June 2021 (unaudited)</i>			<i>Total</i>
	<i>Current accounts</i>	<i>NBRK notes</i>	<i>Overnight deposits with other banks</i>	
Not overdue				
- NBRK notes (not rated)	–	6,953,824	–	6,953,824
- rated from BBB- to BBB+	34,405,287	–	–	34,405,287
- rated from BB- to BB+	12,748,239	–	–	12,748,239
- rated from B- to B+	195,332	–	–	195,332
- not rated	21,586,525	–	1,240,728	22,827,253
Total cash and cash equivalents, net of cash before deduction of impairment allowance	68,935,383	6,953,824	1,240,728	77,129,935
Less: impairment allowance	(1,375)	(467)	(10)	(1,852)
Total cash and cash equivalents, net of cash	68,934,008	6,953,357	1,240,718	77,128,083
	<i>31 December 2020 (restated)</i>			<i>Total</i>
	<i>Current accounts</i>	<i>NBRK notes</i>	<i>Overnight deposits with other banks</i>	
Not overdue				
- NBRK notes (not rated)	–	26,899,894	–	26,899,894
- rated from BBB- to BBB+	29,477,509	–	–	29,477,509
- rated from BB- to BB+	13,599,093	–	–	13,599,093
- rated from B- to B+	5,006	–	–	5,006
- not rated	–	–	5,663,254	5,663,254
Total cash and cash equivalents, net of cash before deduction of impairment allowance	43,081,608	26,899,894	5,663,254	75,644,756
Less: impairment allowance	(611)	(1,031)	(24)	(1,666)
Total cash and cash equivalents, net of cash	43,080,997	26,898,863	5,663,230	75,643,090

As at 30 June 2021 the balance of not rated cash and cash equivalents includes balances with Citibank Kazakhstan JSC (unaudited) (31 December 2020: Citibank Kazakhstan JSC).

As at 30 June 2021, the Company had two banks (unaudited) with aggregated cash and cash equivalent balances above 10.00% of equity: Eurasian Development Bank and Citibank Kazakhstan JSC for the total amounts of KZT 33,756,205 thousand (unaudited) and KZT 22,827,253 thousand (unaudited) respectively (31 December 2020: Eurasian Development Bank for the total amount of KZT 29,477,509 thousand and NBRK notes for KZT 26,899,894 thousand).

In KZT'000

5. Loans to banks

	<i>30 June 2021</i> <i>(unaudited)</i>	<i>31 December</i> <i>2020</i>
Loans to second-tier banks	44,605,423	14,968,114
	44,605,423	14,968,114
Less: ECL allowance	(35,767)	(26,436)
Due from banks	44,569,656	14,941,678

As at 30 June 2021, loans to second-tier banks are not overdue and are categorised into Stage 1 (31 December 2020: loans to second-tier banks are not overdue and categorised into Stage 1).

The following table provides information about credit quality of loans to banks:

	<i>30 June 2021</i> <i>(unaudited)</i>	<i>31 December</i> <i>2020</i>
Not overdue		
- rated from BBB- to BBB+	32,451,630	-
- rated from BB- to BB+	12,023,433	14,643,934
- rated from B- to B+	130,360	324,180
	44,605,423	14,968,114
Less: ECL allowance	(35,767)	(26,436)
Due from banks	44,569,656	14,941,678

During six month ended 30 June 2021 within the “Ken-Dala” annual Government program on support of spring field works, the Company has provided loans to Halyk Savings Bank JSC for the total amount of KZT 31,840,998 thousand with below market interest rate at 1.5% p.a. and maturity on 1 December 2021. The Company recognised discount in the amount of KZT 1,954,546 thousand as loss at initial recognition of loans at below market interest rates and interest income on amortisation of discount of KZT 782,992 thousand in the condensed interim statement of profit or loss within other expenses and interest income on loans to banks respectively. The Company applied estimated market interest rates of 10.19% – 11.00% p.a. to measure the fair value of the abovementioned loans at initial recognition by discounting their future contractual cash flows.

As at 30 June 2021 the Company had 1 bank (unaudited) which total balance exceed 10% of equity: Halyk Savings Bank JSC for a total amount of KZT 32,451,630 thousand (unaudited) (31 December 2020: no banks).

6. Loans to customers

Loans to customer are represented by loans to the borrowers operating in the agricultural sector and include the following positions: •

	<i>30 June 2021</i> <i>(unaudited)</i>	<i>31 December</i> <i>2020</i>
Loans to legal entities	491,466,028	439,584,962
Loans to individuals	84,126,809	75,017,020
	575,592,837	514,601,982
Less: ECL allowance	(74,836,080)	(65,375,029)
Loans to customers	500,756,757	449,226,953

In KZT'000

Impairment allowance for loans to customers

The table below provides analysis of movements in the ECL allowance for loans to legal entities for the six months ended 30 June 2021:

<i>Loans to legal entities</i>	<i>Unaudited</i>				
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
ECL allowance as at 1 January 2021	(2,835,939)	(4,825)	(55,853,932)	(1,075,604)	(59,770,300)
New assets originated or purchased	(580,235)	–	(2,250,705)	–	(2,830,940)
Assets repaid	27,105	8	1,071,692	–	1,098,805
Transfers to Stage 1	(271,732)	11,928	259,804	–	–
Transfers to Stage 2	533,564	(564,189)	30,625	–	–
Transfers to Stage 3	108,936	2,044,200	(2,153,136)	–	–
Movements in ECLs for the year as a result of transfer from stage to state and changes in inputs	140,890	(1,616,425)	(2,450,403)	(161,697)	(4,087,635)
Unwinding of discount	–	–	(2,820,488)	–	(2,820,488)
Amounts written off	–	–	412,203	–	412,203
At 30 June 2021	(2,877,411)	(129,303)	(63,754,340)	(1,237,301)	(67,998,355)

During six months ended 30 June 2021, the high volume of loans to legal entities originated resulted in the increase of the gross carrying amount of loans to customers by KZT 100,847,243 thousand (unaudited) with a corresponding increase in loss allowance by KZT 2,830,940 thousand (unaudited). During six months ended 30 June 2021 loans to legal entities for the total amount of KZT 54,992,422 thousand were repaid (unaudited) with a corresponding decrease in loss allowance by KZT 1,098,805 thousand (unaudited).

The table below provides analysis of movements in the ECL allowance for loans to individuals for the six months ended 30 June 2021:

<i>Loans to individuals</i>	<i>Unaudited</i>				
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
ECL allowance as at 1 January 2021	(433,995)	(222,487)	(4,862,371)	(85,876)	(5,604,729)
New assets originated or purchased	(208,002)	–	–	–	(208,002)
Assets repaid	6,524	77	150,422	–	157,023
Transfers to Stage 1	(583,251)	59,908	523,343	–	–
Transfers to Stage 2	33,602	(33,602)	–	–	–
Transfers to Stage 3	2,535	256,921	(259,456)	–	–
Movements in ECLs for the year as a result of transfer from stage to state and changes in inputs	355,795	(87,266)	(953,370)	(359,759)	(1,044,600)
Unwinding of discount	–	–	(182,193)	–	(182,193)
Amounts written off	–	–	44,776	–	44,776
At 30 June 2021	(826,792)	(26,449)	(5,538,849)	(445,635)	(6,837,725)

During the six months ended 30 June 2021, the high volume of loans to individuals originated resulted in the increase of the gross carrying amount of loans to customers by KZT 15,386,750 thousand (unaudited) with a corresponding increase in loss allowance by KZT 208,002 thousand (unaudited). During six months ended 30 June 2021 loans to individuals for the total amount of KZT 7,987,653 thousand were repaid (unaudited) with a corresponding decrease in loss allowance by KZT 157,023 thousand (unaudited).

During the six months ended 30 June 2021 within “Ken-Dala” annual Government program on support of spring field works, the Company has provided loans for the total amount of KZT 38,159,002 thousand (unaudited) with below market interest rate at 2% p.a. and maturity on December 2021. The Company recognised the discount of KZT 4,027,401 thousand (unaudited) at initial recognition and interest income on amortisation of discount of KZT 2,533,631 thousand in the condensed interim statement of profit or loss within other expenses and interest income on loans to customers, respectively. Loss from initial recognition of loans below market interest rates in the amount of KZT 4,027,401 thousand was partially compensated by the government grant received for the amount of KZT 3,757,430 thousand (Note 12). The Company used estimated market interest rates of 13.70% – 14.40% p.a. to measure the fair value of the abovementioned loans at initial recognition by discounting their future contractual cash flows.

In KZT'000

During the six months ended 30 June 2021 the Company continues to issue and service loans issued under the state program for Agrobusiness development; KZT 3,673,462 thousand (unaudited) of new loans were issued. The Company used estimated market interest rates of 9.60% – 18.40% p.a. to measure the fair value of the abovementioned loans at initial recognition by discounting their future contractual cash flows. The loss from initial recognition of these loans issued at below market interest rate in the amount of KZT 1,055,269 thousand (unaudited) was recognized within other expenses. Also, during the six months ended 30 June 2021 the Company suffered from expected credit losses for the total amount of KZT 1,457,834 thousand (unaudited) on new and previously issued loans during 2018-2020 years within the abovementioned program. All these losses incurred during six months ended 30 June 2021 were compensated by the government grant (Note 12).

Within its general operational activity the Company issues loans to the borrowers operating in the agricultural industry at below market interest rates. Loss from initial recognition on loans below market interest rates in amount of KZT 8,274,888 thousand (unaudited) (Note 15) was recognized within other expenses for the six months ended 30 June 2021. The Company used estimated market interest rates of 11.60 – 16.50% p.a. (unaudited) to measure the fair value of the loans at initial recognition by discounting their future contractual cash flows.

The table below provides analysis of movements in the ECL allowance for loans to legal entities for the six months ended 30 June 2020:

<i>Legal entities</i>	<i>Unaudited*</i>				
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
ECL allowance as at 1 January 2020	(2,961,980)	(36,716)	(48,443,214)	(746,145)	(52,188,055)
New assets originated or purchased	(486,498)	–	(2,085,105)	–	(2,571,603)
Assets repaid	13,849	1,951	1,526,537	–	1,542,337
Transfers to Stage 1	(1,208,246)	20,584	1,187,662	–	–
Transfers to Stage 2	73,253	(73,261)	8	–	–
Transfers to Stage 3	248,163	401,598	(649,761)	–	–
Movements in ECL for the period	1,112,233	(316,940)	(8,844,059)	(232,259)	(8,281,025)
Amounts written off	–	–	632,588	–	632,588
At 30 June 2020	(3,209,226)	(2,784)	(56,675,344)	(978,404)	(60,865,758)

**unaudited, unreviewed*

During the six months ended 30 June 2020, the high volume of loans to legal entities originated resulted in the increase of the gross carrying amount of loans to customers by KZT 95,304,621 thousand (unaudited, unreviewed) with a corresponding increase in loss allowance by KZT 2,571,603 thousand (unaudited, unreviewed). During six months ended 30 June 2020 loans to legal entities for the total amount of KZT 34,445,155 thousand were repaid (unaudited, unreviewed) with a corresponding decrease in loss allowance by KZT 1,542,337 thousand (unaudited, unreviewed).

The table below provides analysis of movements in the ECL allowance for loans to individuals for the six months ended 30 June 2020:

<i>Individuals</i>	<i>Unaudited*</i>				
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
ECL allowance as at 1 January 2020	(464,645)	(23,237)	(2,446,857)	(252,767)	(3,187,506)
New assets originated or purchased	(265,730)	(108)	–	–	(265,838)
Assets repaid	1,449	8,746	98,101	–	108,296
Transfers to Stage 1	(209,333)	9,757	199,576	–	–
Transfers to Stage 2	69,837	(173,862)	104,025	–	–
Transfers to Stage 3	8,861	359,775	(368,636)	–	–
Movements in ECL for the period	291,235	(192,320)	(1,006,347)	249,516	(657,916)
Unwinding of discount (recognised in interest income)	–	–	–	–	–
At 30 June 2020	(568,326)	(11,249)	(3,420,138)	(3,251)	(4,002,964)

**unaudited, unreviewed*

During the six months ended 30 June 2020, the high volume of loans to individuals originated resulted in the increase of the gross carrying amount of loans to customers by KZT 16,244,093 thousand (unaudited, unreviewed) with a corresponding increase in loss allowance by KZT 265,838 thousand (unaudited, unreviewed). During six months ended 30 June 2020 loans to individuals for the total amount of KZT 5,669,084 thousand were repaid (unaudited, unreviewed) with a corresponding decrease in loss allowance by KZT 108,296 thousand (unaudited, unreviewed).

In KZT'000

The following table provides information on the credit quality of the loans to customers as at 30 June 2021 and 31 December 2020:

	Unaudited at 30 June 2021				
	Stage 1 12-month ECL	Stage 2	Stage 3	POCI	Total
		Lifetime ECL	Lifetime ECL		
		for assets not credit- impaired	for assets credit- impaired		
Legal entities					
- not overdue	212,183,455	5,654,022	208,041,152	-	425,878,629
- overdue up to 30 days	2,049,097	720,631	10,144,132	-	12,913,860
- overdue more than 31 days and less than 60 days	-	719,345	4,303,837	-	5,023,182
- overdue more than 61 days and less than 90 days	-	-	6,859,202	-	6,859,202
- overdue more than 91 days and less than 360 days	-	-	13,241,763	-	13,241,763
- overdue more than 1 year	-	-	24,800,175	2,749,217	27,549,392
	214,232,552	7,093,998	267,390,261	2,749,217	491,466,028
Allowance for expected credit losses	(2,877,411)	(129,303)	(63,754,340)	(1,237,301)	(67,998,355)
	211,355,141	6,964,695	203,635,921	1,511,916	423,467,673

	Unaudited at 30 June 2021				
	Stage 1 12-month ECL	Stage 2	Stage 3	POCI	Total
		Lifetime ECL	Lifetime ECL		
		for assets not credit- impaired	for assets credit- impaired		
Individuals					
- not overdue	66,974,393	-	4,628,962	778,139	72,381,494
- overdue up to 30 days	2,458,109	-	1,585,115	-	4,043,224
- overdue more than 31 days and less than 60 days	-	457,192	293,065	-	750,257
- overdue more than 61 days and less than 90 days	-	-	652,592	-	652,592
- overdue more than 91 days and less than 360 days	-	-	1,493,280	-	1,493,280
- overdue more than 1 year	-	-	4,805,962	-	4,805,962
	69,432,502	457,192	13,458,976	778,139	84,126,809
Allowance for expected credit losses	(826,792)	(26,449)	(5,538,849)	(445,635)	(6,837,725)
	68,605,710	430,743	7,920,127	332,504	77,289,084

	31 December 2020				
	Stage 1 12-month ECL	Stage 2	Stage 3	POCI	Total
		Lifetime ECL	Lifetime ECL		
		for assets not credit- impaired	for assets credit- impaired		
Legal entities					
- not overdue	207,044,215	6,065,257	169,144,235	-	382,253,707
- overdue up to 30 days	2,388,685	73,426	12,248,948	-	14,711,059
- overdue more than 31 days and less than 60 days	-	618,427	6,130,433	-	6,748,860
- overdue more than 61 days and less than 90 days	-	-	2,479,533	-	2,479,533
- overdue more than 91 days and less than 360 days	-	-	6,931,694	-	6,931,694
- overdue more than 1 year	-	-	23,833,526	2,626,583	26,460,109
	209,432,900	6,757,110	220,768,369	2,626,583	439,584,962
Allowance for expected credit losses	(2,835,939)	(4,825)	(55,853,932)	(1,075,604)	(59,770,300)
	206,596,961	6,752,285	164,914,437	1,550,979	379,814,662

	31 December 2020				
	Stage 1 12-month ECL	Stage 2	Stage 3	POCI	Total
		Lifetime ECL	Lifetime ECL		
		for assets not credit- impaired	for assets credit- impaired		
Individuals					
- not overdue	55,393,984	726,606	8,043,317	785,329	64,949,236
- overdue up to 30 days	1,840,067	-	570,662	-	2,410,729
- overdue more than 31 days and less than 60 days	-	1,355,063	425,116	-	1,780,179
- overdue more than 61 days and less than 90 days	-	-	232,921	-	232,921
- overdue more than 91 days and less than 360 days	-	-	1,305,038	-	1,305,038
- overdue more than 1 year	-	-	4,338,917	-	4,338,917
	57,234,051	2,081,669	14,915,971	785,329	75,017,020
Allowance for expected credit losses	(433,995)	(222,487)	(4,862,371)	(85,876)	(5,604,729)
	56,800,056	1,859,182	10,053,600	699,453	69,412,291

As at 30 June 2021 the Company had no borrowers (unaudited) whose total balance exceeds 10% of equity (31 December 2020: no borrowers).

In KZT'000

7. Investment property

Movement in investment property is as follows:

	<i>Unaudited</i>	
	<i>Six months ended 30 June</i>	
	2021	2020*
Cost		
At 1 January	529,474	529,474
Additions (unaudited)*	4,381,363	-
Disposal (unaudited)*	(292,632)	-
At 30 June (unaudited)	4,618,205	529,474
At 1 January	(91,311)	(81,653)
Depreciation charge (unaudited)	(9,720)	(4,829)
Disposal (unaudited)	27,896	-
At 30 June (unaudited)	(73,135)	(86,482)
Carrying value at 30 June (unaudited)	4,545,070	442,992

*unaudited, unreviewed

During the six months ended 30 June 2021 the Company has received four objects of non-residential premises located in Almaty in the form of share capital injection, the fair value of which using income approach as KZT 4,381,363 thousand (unaudited) (Note 13). All these premises are classified as an investment property items at initial recognition.

The main assumptions used to estimate fair value of investment property received are:

- Occupancy ratio of 60-90% p.a.;
- Discounting rates for the future cash flows of 17.8% to 18.30%, capitalization rates of 13.80% to 14.30%;
- Operational expenses of 30% to 35%.

Change in the above estimates may impact the fair value of the newly received objects as of the date their initial recognition. For example, to the extent that:

- Occupancy differs by plus/minus 10%, the fair value will be KZT 246,069 thousand higher/lower (unaudited);
- Discount rate and capitalization rates differ by plus/minus 1%, the fair value will be lower by KZT 288,139 thousand/higher by KZT 333,792 thousand (unaudited);
- Operational expenses differs by plus/minus 5%, the fair value will be lower/higher by KZT 299,293 thousand (unaudited).

Rental income on investment property for the six months ended 30 June 2021 is amounted to KZT 78,926 thousand (unaudited) (the six months ended 30 June 2020: KZT 4,119 thousand).

8. Payables to the Shareholder

	<i>Due date</i>	<i>Nominal interest rate per annum, %</i>	<i>Currency</i>	<i>30 June 2021 (unaudited)</i>	<i>31 December 2020</i>
Loan under Agreement No. 32	14 December 2032	1.02%	KZT	16,729,908	16,231,865
Loan under Agreement No. 26	10 February 2041	1.02%	KZT	14,372,524	-
Loan under Agreement No. 101	14 December 2033	1.00%	KZT	12,690,327	12,316,261
Loan under Agreement No. 76	14 December 2025	1.02%	KZT	12,298,656	11,926,326
Loan under Agreement No. 85	14 December 2025	1.00%	KZT	9,281,777	9,013,088
Loan under Agreement No. 122	14 December 2025	1.00%	KZT	9,234,856	8,962,492
Loan under Agreement No. 135	14 December 2032	1.00%	KZT	9,000,708	8,728,631
Loan under Agreement No. 136	14 December 2032	1.00%	KZT	9,000,708	8,728,631
Loan under Agreement No. 20	31 January 2034	1.00%	KZT	6,316,141	6,839,119
Loan under Agreement No. 34	28 September 2034	1.02%	KZT	3,019,566	2,936,996
Amount payable under assignment contract of 3 July 2018	20 December 2024	5.00%	KZT	1,893,955	1,826,748
Amount payable under debt transfer agreement of 3 July 2018	9 December 2024	3.00%	KZT	732,841	829,693
Loan under Agreement No. 124	1 December 2022	10.00%	KZT	112,233	146,690
Loan under Agreement No. 81	21 June 2021	14.50-15.50%	KZT	-	36,174,336
Loan under Agreement No. 61	24 August 2032	0.32-1.02%	KZT	-	29,084,622
Loan under Agreement No. 24	20 June 2035	1.02%	KZT	-	7,166,640
Investment loan under Agreement No. 36	31 December 2023	1.02%	KZT	-	2,640,965
Loan under Agreement No. 70	13 October 2024	0.32%	KZT	-	574,927
				104,684,200	164,128,030

In KZT'000

During six-month period ended 30 June 2021 as part of the optimisation of the structure of the loan previously provided by KazAgro Holding to the Company from the National Fund of the Republic of Kazakhstan, by combining the amounts due under the agreements previously concluded with the total nominal value as of the date of combination of KZT 58,451,625 thousand (unaudited) and issuance of additional tranche in amount of KZT 11,548,375 thousand (unaudited), a Loan Agreement No. 26 of 16 June 2021 was signed. The total amount of the loan is KZT 70,000,000 thousand, with maturity on 10 February 2041, nominal interest rate - 1.02% per annum, effective interest rate - 11.98% per annum. The purpose of the loan is financing of investment projects on various directions agricultural sector development, such as creation of milk farms, development of feedlots, creation of storages for different agricultural products and others. The conclusion of this agreement resulted in the derecognition of the agreements (including agreements No. 36, 61, 24 and 70) and which were entered into previously, funded from the resources of the National Fund of the Republic of Kazakhstan, and the recognition of a new liability under Loan Agreement No. 26 dated 16 June 2021. The discount at initial recognition on KZT 70,000,000 thousand loan is amounted to KZT 44,572,072 thousand (unaudited) (excluding tax effect in the amount of KZT 11,143,018 thousand, unaudited) and it was recognized directly in equity within accumulated losses, whereas previously discount in amount of KZT 11,196,328 thousand (unaudited) (excluding tax effect in the amount of KZT 2,799,082 thousand, unaudited) was derecognized to reflect the new terms negotiated with the controlling party. As at 30 June 2021, the carrying amount of the loan is KZT 14,372,524 thousand (unaudited).

During the six month period ended 30 June 2020 the Company has received KZT 17,643,702 thousand (unaudited, unreviewed), KZT 7,643,702 thousand of which was received for the financing of investment projects, with 1.02% p.a. nominal interest rate and maturity in 10 years, the rest part of KZT 10,000,000 thousand for the financing of projects for development of beef cattle breeding, dairy industry, processing of meat and crop products, food production, purchase of irrigation systems, and crop farming with interest rate 1.00% p.a. and maturity in 14 years. The interest rates applied by the Company to calculate the fair value at the date of initial recognition of the abovementioned loans were 7.9-11.48% p.a. (unaudited, unreviewed). The difference of KZT 5,226,913 thousand (unaudited, unreviewed) between the nominal value and fair value at the date of initial recognition was recognised directly in equity within additional paid in capital.

As at 30 June 2021 and 31 December 2020 the Company meets the requirements related to compliance with the restrictive covenants under the agreements with the creditors.

9. Payables to the Government of the Republic of Kazakhstan

On 25 February 2021 the Company received a short-term loan from the Ministry of Finance of the Republic of Kazakhstan for a total nominal amount of KZT 70,000,000 thousand (unaudited) with nominal interest rate of 0.01% p.a. and maturity on 20 December 2021. This loan was received within "Ken-Dala" Government support program dedicated for support entities on their spring field and harvesting works. Loan received was distributed in full to Halyk Savings Bank JSC for a total amount of KZT 31,840,998 thousand (Note 5) with a condition of further special purpose prescribed under the abovementioned program and directly to customers for the total amount of KZT 38,159,002 thousand (Note 6) (unaudited).

The discount of KZT 5,711,976 thousand (unaudited) at initial recognition of loans received was treated as liability on government grant with its full utilization during the six-month period ended 30 June 2021 (Note 12). An amortisation of discount in the amount of KZT 2,336,791 thousand (unaudited) was recognized within interest expense on payables to the Government of the Republic of Kazakhstan. The Company applied estimated market interest rate of 11.00% p.a. to measure the fair value of the loan at initial recognition by discounting its future contractual cash flows.

As at 30 June 2021, the carrying amount of the loan is KZT 66,627,266 thousand (unaudited) including interest accrued of KZT 2,450 thousand (unaudited).

10. Payables to state and budget organisations

	Realisation period	Nominal interest rate per annum, %	Currency	30 June 2021 (unaudited)	31 December 2020
Loans under Program for the development of Productive Employment and Mass Entrepreneurship for 2017-2021	2017-2021	0.01%	KZT	44,101,567	41,284,610
Loans under Program 2020 Employment Roadmap	2016-2017	0.01%	KZT	2,937,405	3,485,523
				47,038,972	44,770,133

During the six months ended 30 June 2021 the Company received KZT 7,070,000 thousand (unaudited) (during the six months ended 30 June 2020: KZT 12,856,780 thousand (unaudited, unreviewed)) of loans under Program for the development of Productive Employment and Mass Entrepreneurship for 2017-2021. The Company recognised the discount of KZT 3,397,920 thousand (unaudited) (during the six months ended 30 June 2020: KZT 4,938,088 thousand (unaudited, unreviewed)) at initial recognition in the condensed interim statement of financial position as liability on government grant which was partially utilized in corresponding periods. The Company applied estimated market interest rates of 8.86% – 12.66% p.a. (during the six months ended 30 June 2020: 7.25% – 11.48% p.a.) to measure the fair value of the abovementioned loans at initial recognition by discounting their future contractual cash flows. As at 30 June 2021, the carrying amount is KZT 3,765,325 thousand (unaudited).

In KZT'000

As at 30 June 2021 and 31 December 2020 the Company meets the requirements related to compliance with the restrictive covenants under the agreements with the creditors.

11. Debt securities issued

All debt securities issued in KZT denominated comprise the following captions:

			Interest rate per annum, %	Face value		Carrying amount	
	Placement date	Maturity date		30 June 2021	31 December 2020	30 June 2021 (unaudited)	31 December 2020
Fixed income bonds (6 issue of the 4th bond program)	30 June 2021	10 December 2031	15.00%	35,000,000	-	40,945,559	-
Fixed income bonds (1 issue of the 4th bond program)	10 October 2019	10 October 2026	10.75%	39,475,017	39,475,017	40,409,347	40,408,952
Fixed income bonds (2 issue of the 4th bond program)	26 August 2020	26 August 2030	10.75%	30,496,202	30,496,202	31,587,903	31,589,716
Fixed income bonds (1 issue of the 3rd bond program)	30 December 2015	30 December 2021	8.50%	22,940,000	22,940,000	23,908,200	23,896,536
Commercial bonds	21 December 2020	21 December 2021	10.75%	20,000,002	15,500,001	21,098,140	15,542,645
Fixed income bonds (2 issue of the 2nd bond program)	17 June 2015	17 December 2022	8.00%	18,184,787	18,184,787	18,097,338	18,052,561
Commercial bonds	8 July 2020	8 July 2021	10.75%	9,988,489	9,988,489	11,038,860	10,477,225
Fixed income bonds (1 issue of the 2nd bond program)	20 August 2014	20 February 2023	8.50%	10,000,000	10,000,000	10,232,935	10,212,403
Fixed income bonds (4 issue of the 3rd bond program)	27 May 2021	27 May 2026	11.50%	9,350,000	-	9,451,552	-
Fixed income bonds (2 issue of the 3rd bond program)	22 December 2016	22 June 2026	14.00%	5,000,000	5,000,000	5,366,320	5,016,202
Fixed income bonds (3 issue of the 4th bond program)	30 December 2020	30 January 2022	5.00%	1,348,479	9,000,000	1,376,760	9,001,250
Debt securities issued				201,782,976	160,584,496	213,512,914	164,197,490

During the six months ended 30 June 2021, the Company issued and additionally placed within the previous issuance bonds in the total face value of KZT 48,850,001 thousand (unaudited):

- unsecured commercial bonds with total face value of KZT 4,500,001 thousand (KZ2C00007177) issued at coupon rate of 10.75% p.a., maturing on 20 December 2021. The proceeds from the placement have been used for making loans to the companies operating in the agrarian-industrial complex.
- unsecured coupon bonds with total face value of KZT 9,350,000 thousand (KZ2C00006120) issued at coupon rate of 11.50% p.a., maturing within 5 years. The proceeds from the placement have been used for making loans to the companies operating in the agrarian-industrial complex.
- unsecured coupon bonds with total face value of KZT 35,000,000 thousand (KZ2C00007755) issued at coupon rate of 15.00% p.a., maturing on 10 December 2031. The proceeds from the placement will be directed to financing of projects in the agrarian-industrial complex, engaged with milk and meat production. The Company recognised the premium of KZT 5,930,976 thousand (unaudited) at initial recognition and since the bonds were fully repurchased by the Shareholder, the premium was treated as distribution to the Shareholder, including tax in amount of KZT 1,186,195 thousand. The Company applied estimated market interest rates of 12.10% p.a. to measure the fair value of the bonds issued at initial recognition by discounting their future contractual cash flows.

During the six months ended 30 June 2020, the Company placed unsecured coupon bonds with total face value of KZT 11,192,979 thousand (KZ2C00006161) (unaudited, unreviewed) at coupon rate of 10.75% p.a., maturing within 7 years. The proceeds from the placement have been used for making loans to the companies operating in the agrarian-industrial complex.

In KZT'000

12. Government grants

	<i>30 June</i> <i>2021</i> <i>(unaudited)</i>	<i>31 December</i> <i>2020</i> <i>(restated)</i>	<i>31 December</i> <i>2019</i> <i>(restated)</i>
Government grants received from the Government of the Republic of Kazakhstan by means of a loan from the from local executive bodies and Shareholder under Agrobusiness Development program	8,243,690	9,158,681	19,280,627
Government grants received from the he Ministry of Agriculture of the Republic of Kazakhstan for partial subsidizing of principal and interest on loans issued to the borrowers	4,934,938	3,312,883	1,971,296
Government grants	13,178,628	12,471,564	21,251,923

Government grants received from the Government

The Company recorded as government grants the amount of benefits received from loans provided at low interest rates by the state and budget organisation.

	<i>Six months ended</i> <i>30 June</i> <i>Unaudited</i> <i>2021</i>
At 1 January	9,158,681
Government grants received from the Government of the Republic of Kazakhstan by means of a loan from the from local executive bodies (Note 10)	3,397,920
Government grants received from the Government of the Republic of Kazakhstan by means of a loan from the Ministry of Finance (Note 9)	5,711,976
Utilisation of government grant for upon issuance of loans to borrowers under the State Program for the development of Productive Employment and Mass Entrepreneurship for 2017-2021 ("Isker")	(1,158,492)
Utilisation of government grant for upon issuance of loans to banks under the State Program "Ken-Dala" (Note 5)	(1,954,546)
Utilisation of government grant for upon issuance of loans to customers borrowers under the State Program "Ken-Dala" (Note 6) (compensated part)	(3,757,430)
Utilisation of government grant upon issuance of loans to customers borrowers under Agrobusiness Development Program (Note 6)	(1,055,269)
Utilisation of government grant by compensation of credit risk (Note 6)	(1,457,834)
Amortisation for the period	(641,316)
At 30 June (unaudited)	8,243,690

**unaudited, unreviewed*

Subsequent to initial recognition, the Company charged to profit or loss an amount corresponding to the debt provided to the borrowers on favourable terms upon fulfilment of the conditions of state programs (Notes 5, 6). The Company is responsible for allocation benefits to ultimate borrowers through low interest loans.

During the six months ended 30 June 2021 the government grants transferred to profit or loss (Note 15) amounted to KZT 10,024,887 thousand (unaudited) and were included in other expenses.

Government grants received from the Ministry of Agriculture

	<i>Unaudited</i> <i>Six months ended 30 June</i>	
	<i>2021</i>	<i>2020*</i>
At 1 January	3,312,883	1,971,296
Received for the period	6,983,946	4,427,090
Returned due to expired availability period	(2,711,307)	(1,544,642)
Utilisation by means of transfer for particular borrowers which have met special conditions	(2,650,584)	(2,210,580)
At 30 June (unaudited)	4,934,938	2,643,164

**unaudited and unreviewed*

Government grants received from the Ministry of Agriculture are utilised for partial repayment of principal and interest of the borrowers which received loans for investment projects and acquisition of new or previously unused machinery and equipment. Certain conditions should be fulfilled by the borrowers in order to receive these grants.

In KZT'000

13. Equity

Share capital

In accordance with Decision of the Management Board of National Management Holding KazAgro JSC (ex-Shareholder) No. 9 of 4 March 2021, the Company placed 12,633,932 ordinary shares at offer price of KZT 1,000 (one thousand) per ordinary share. These shares were paid with the property of ex-Shareholder with the fair value at initial recognition of KZT 6,186,092 thousand. Property received includes four non-residential premises located in Almaty with the total value of KZT 4,381,363 thousand (unaudited) (Note 7) held by the Company as investment property items; residential and non-residential objects, land plots, furniture and other equipment for the total amount of KZT 1,766,830 thousand (unaudited) classified by the Company as assets held for sale as of the reporting date, the rest amount of KZT 37,899 thousand comprise other items classified by the Company as property, plant and equipment and inventory as at 30 June 2021.

As at 30 June 2021 180,758,928 authorised and issued ordinary shares of the Company, 174,311,088 of which have been paid in full by the Sole Shareholder (31 December 2020: 168,124,996).

In March 2021, in accordance with Resolution of the Government of the Republic of Kazakhstan No. 952 of 31 December 2020, contract of adhesion of 26 February 2021 and the certificate of transfer between Baiterek and KazAgro, 100% interest of the Company of 180,758,928 ordinary shares have been transferred to Baiterek.

Reserve capital

During six-month period ended 30 June 2021 the Company increased reserve capital for KZT 5,898,015 thousand. According to the Company's policy, reserve capital is built up for general risks including future losses and other unexpected risks and circumstances. Reserve capital is subject to distribution based on the decision of the Shareholder.

Dividends

During six-month period ended 30 June 2021, in accordance with the decision of the Sole Shareholder of 12 March 2021, the Company declared and paid dividends of KZT 13,762,035 thousand (unaudited) or KZT 78.95 per ordinary share for the year ended 31 December 2020. They were paid on 8 June 2021.

During six-month period ended 30 June 2020, in accordance with the decision of the Sole Shareholder of 29 May 2020, the Company declared dividends of KZT 16,034,036 thousand (unaudited, unreviewed) or KZT 95.37 per ordinary share for the year ended 31 December 2019. They were paid on 26 August 2020.

Carrying value of one ordinary share calculated in accordance with the methodology of Kazakhstan Stock Exchange is as follows:

	<i>30 June 2021 (unaudited)</i>	<i>31 December 2020 (restated)</i>	<i>31 December 2019 (restated)</i>
Assets	634,712,980	547,538,959	465,301,244
Less intangible assets	(232,292)	(245,064)	(254,653)
Less liabilities	(453,900,307)	(387,801,310)	(311,888,000)
Net assets	180,580,381	159,492,585	153,158,591
Number of ordinary shares, shares	174,311,088	168,124,996	168,124,996
Carrying amount of one ordinary share (in KZT)	999.01	948.65	910.98

14. Expenses on credit losses

	<i>Unaudited Six months ended 30 June</i>	
	<i>2021</i>	<i>2020*</i>
Loans to customers (Note 6)	(6,915,349)	(10,125,749)
Other financial assets	(1,038,374)	21,611
Loans to second-tier banks	(9,331)	(40,411)
Cash and cash equivalents	(186)	1,099
Investment securities	510	(74)
Loan commitments	90,650	601,728
Expenses on credit losses	(7,872,080)	(9,541,796)

**unaudited and unreviewed*

In KZT'000

15. Other expenses

	<i>Unaudited</i>	
	<i>Six months ended 30 June</i>	
	<i>2021</i>	<i>2020*</i>
Other income from utilisation of government grants (Note 12)	9,383,571	-
Amortisation of government grant (Note 12)	641,316	-
Loss at initial recognition on loans to banks within "Ken-Dala" program (Note 5)	(1,954,546)	-
Loss at initial recognition on loans to customers issued within "Ken-Dala" program (Note 6)	(4,027,401)	-
Loss at initial recognition on loans to customers issued within "Isker" program (Note 6)	(1,158,492)	-
Utilisation of government grant for upon issuance of loans to customers borrowers under Agrobusiness Development Program	(1,055,269)	-
Loss at initial recognition on other loans to customers	(8,274,888)	-
Other (expense)/income	(676,525)	(408,001)
Other expenses	(7,122,234)	(408,001)

**unaudited and unreviewed*

Other income from utilisation of government grants was recognised as income based on the results of compliance with the terms of the relevant government programs (Note 12).

16. Corporate income tax

Corporate income tax expenses comprise the following captions:

	<i>Unaudited</i>	
	<i>Six months ended 31 June 2021</i>	<i>Six months ended 31 June 2020*</i>
Current corporate income tax expense	(587,343)	(599,013)
Deferred corporate income tax savings/(expenses) – origination of and decrease in temporary differences	451,472	(969,544)
Corporate income tax expense	(135,871)	(1,568,557)
Deferred income tax recognised within profit or loss	451,472	(969,544)
Deferred income tax recognised within equity	(7,172,022)	239,897
Deferred corporate income tax expenses – origination of and decrease in temporary differences	(6,720,550)	(729,647)

unaudited and unreviewed*Reconciliation of effective tax rate:**

	<i>Six months ended 30 June 2021</i>		<i>Six months ended 30 June 2020</i>	
	<i>KZT'000</i>	<i>%</i>	<i>KZT'000</i>	<i>%</i>
	<i>(unaudited)</i>		<i>(unaudited)*</i>	
Profit before income tax	155,875		9,217,662	
Income tax at the applicable tax rate	(31,175)	(20.00)	(1,843,532)	(20.00)
Non-taxable interest income on government investment securities	235,406	151.02	154,534	1.68
Non-deductible credit loss (expenses)/recovery	(162,965)	(104.55)	108,397	1.18
Other non-taxable income	43,443	27.87	34,429	0.37
Other non-deductible expense	(220,580)	(141.51)	(22,385)	(0.24)
Corporate income tax expense	(135,871)	(87.17)	(1,568,557)	(17.02)

**unaudited and unreviewed*

In KZT'000

17. Commitments and contingencies

Taxation

Kazakhstani commercial, and in particular, tax legislation contains regulations, interpretation of which could vary, and in certain cases, the legislation could be amended with indirect retrospective impact. Also, the Company's management's interpretation of the legislation may differ from that of tax authorities, and as a result, transactions carried out by the Company could be estimated by tax authorities in another way, and this could result in an additional charge of taxes, fines and penalties. The company's management considers that all necessary tax accruals were fulfilled and, correspondingly, there were no allowances charged in the statements. Tax periods remain open for 5 (five) years. Management believes that its interpretation of the legislation as at 30 June 2021 and 31 December 2020 is appropriate and the Company's positions in terms of taxes, currency legislation and customs duties will be confirmed.

Legal matters

In the normal course of business, the Company is the subject of legal actions and claims, Management believes that the potential liabilities, if any, resulting from such actions and claims will not have a material adverse effect on the Company's future financial position or performance.

Management is unaware of any significant or pending and threatened claims against the Company.

Credit related commitments

Commitments and contingent liabilities of the Company comprise the following items:

	<i>30 June 2021</i> <i>(unaudited)</i>	<i>31 December</i> <i>2020</i>
Credit related commitments		
Loan commitments	95,703,350	96,630,974
Less: ECL allowance	(954,395)	(1,045,045)
	94,748,955	95,585,929
Operating lease commitments		
Up to 1 year	34,085	25,908
Commitments and contingencies	94,783,040	95,611,837

Credit related commitments

The total outstanding contractual commitments above do not necessarily represent future cash requirements, as these credit related commitments may expire or terminate without being funded.

The Loan Commitment Agreement provides for the right of the Company to unilaterally withdraw from the agreement if unfavourable conditions arise for the Company, and if no resources for lending are available.

The following is an analysis of changes in ECL allowances:

	<i>Unaudited</i>	
	<i>Six months ended 31 June</i>	
	<i>2021</i>	<i>2020*</i>
	<i>Stage 1</i>	<i>Stage 1</i>
Loan commitments		
At 1 January	1,045,045	1,255,464
Changes in ECL for the year	(90,650)	(601,728)
At 30 June	954,395	653,736

**unaudited and unreviewed*

18. Fair value of financial instruments

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

In KZT'000

The following table provides an analysis of financial instruments whose fair values are disclosed by levels of the hierarchy of sources of fair value:

	Valuation date	Fair value measurement using			Total
		Input data of Level 1	Input data of Level 2	Input data of Level 3	
30 June 2021 (unaudited)					
Assets whose fair value is disclosed					
Cash and cash equivalents	30 June 2021	–	77,128,098	–	77,128,098
Loan to banks	30 June 2021	–	45,695,741	–	45,695,741
Loans to customers	30 June 2021	–	265,598,821	197,456,170	463,054,991
Investment securities	30 June 2021	–	464,878	–	464,878
Other financial assets	30 June 2021	–	2,177,760	1,043,378	3,221,138
Liabilities whose fair value is disclosed					
Payables to the Shareholder	30 June 2021	–	83,656,474	–	83,656,474
Payables to the Government of the Republic of Kazakhstan	30 June 2021	–	66,627,266	–	66,627,266
Payables to state and budget organisations	30 June 2021	–	42,906,318	–	42,906,318
Debt securities issued	30 June 2021	–	201,947,911	–	201,947,911
Other financial liabilities	30 June 2021	–	993,468	–	993,468
At 31 December 2020					
Assets whose fair value is disclosed					
Cash and cash equivalents	31 December 2020	–	75,643,105	–	75,643,105
Loans to banks	31 December 2020	–	11,935,299	–	11,935,299
Loans to customers	31 December 2020	–	220,671,187	199,423,928	420,095,115
Investment securities	31 December 2020	–	658,279	–	658,279
Other financial assets	31 December 2020	–	–	1,861,095	1,861,095
Liabilities whose fair value is disclosed					
Payables to the Shareholder	31 December 2020	–	148,455,904	–	148,455,904
Payables to state and budget organisations	31 December 2020	–	40,597,531	–	40,597,531
Debt securities issued	31 December 2020	–	150,872,522	–	150,872,522
Other financial liabilities	31 December 2020	–	595,985	–	595,985

Financial instruments not measured at fair value in the condensed statement of financial position

A comparison of the carrying amounts and fair values of the Company's financial instruments presented in the financial statements is provided below. Fair values of non-financial assets and non-financial liabilities are not presented in the table below.

	30 June 2021 (unaudited)		
	Carrying amount	Fair value	Unrecognised profit/(loss)
Financial assets			
Cash and cash equivalents	77,128,098	77,128,098	–
Loans to banks	44,569,656	45,695,741	1,126,085
Loans to customers	500,756,757	463,054,991	(37,701,766)
Investment securities	599,435	464,878	(134,557)
Other financial assets	3,221,138	3,221,138	–
Financial liabilities			
Payables to the Shareholder	104,684,200	83,656,474	21,027,726
Payables to the Government of the Republic of Kazakhstan	66,627,266	66,627,266	–
Payables to state and budget organisations	47,038,972	42,906,318	4,132,654
Debt securities issued	213,512,914	201,947,911	11,565,003
Other financial liabilities	995,453	993,468	1,985
Total unrecognised change in unrealised fair value			17,130

In KZT'000

	31 December 2020		
	Carrying amount	Fair value	Unrecognised profit/(loss)
Financial assets			
Cash and cash equivalents	75,643,105	75,643,105	–
Loans to banks	14,940,653	11,935,299	(3,005,354)
Loans to customers	449,537,300	420,095,115	(29,442,185)
Investment securities	670,250	658,279	(11,971)
Other financial assets	1,946,771	1,861,095	(85,676)
Financial liabilities			
Payables to the Shareholder	164,128,030	148,455,904	15,672,126
Payables to state and budget organisations	44,770,133	40,597,531	4,172,602
Debt securities issued	164,197,490	150,872,522	13,324,968
Other financial liabilities	608,002	595,985	12,017
Total unrecognised change in unrealised fair value			636,527

The following describes the methodologies and assumptions used to determine fair values for those financial instruments, which are not recorded at fair value in these condensed interim financial statements.

Assets whose fair value approximates their present value

For financial assets and financial liabilities that are liquid or have a short maturity (less than three months), it is assumed that their present value approximates fair value. This assumption also applies to the call deposits and savings accounts with no fixed maturity date.

Fixed rate and variable rate financial instruments

For listed debt instruments, the fair value is based on quoted market prices. In case of non-quoted debt instruments, a discounted cash flow model is used using the current interest rate, taking into account the remaining period to maturity for debt instruments with similar terms and credit risk.

For loans to banks and loans to customers future cash flows are discounted using an average market rate of financial instruments with similar maturities, based on statistics published by NBRK. This approach has been used to measure the fair value of loans to customers. As at 30 June 2021, an average market rate was 9.88-14.83% p.a. (unaudited) (31 December 2020: 11.4-13.10% p.a. (unaudited)).

For liabilities whose fair value is disclosed in the financial statements, future cash flows are discounted at market rate calculated using build-up model using all observable inputs such as KASE yield curve and credit spread for the rating of the Company adjusted by maturity and published by S&P (Capital IQ financials). As at 30 June 2021, the market rate used to measure the fair value of loans raised was 9.85-14.55% p.a. (unaudited) (31 December 2020: 9.81-13.34% p.a. (unaudited)). Future cash flows include repayment of a principal debt and interest calculated at the contractual interest rate applied to the principal debt.

19. Risk management

Management of risk is an essential element of the Company's operations. The major risks faced by the Company are those related to market risk, credit risk and liquidity risk. As at 30 June 2021, there have been no significant changes in the liquidity risk since 31 December 2020. As at 30 June 2021 the Company has no exposure (unaudited) to currency risk (31 December 2020: no exposure).

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk comprises currency risk, interest rate risk, yield curve risk and other price risks. Market risk arises from open positions in interest rate, currency and equity financial instruments, which are exposed to general and specific market movements and changes in the level of volatility of market prices and foreign currency rates.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the return on risk. Overall authority for market risk is vested in the Risk Management Department. The Company manages its market risk by setting open position limits in relation to financial instruments, interest rate maturity and currency positions and stop-loss limits. These are monitored on a regular basis.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. Interest rates on assets and liabilities of the Company are fixed. During the reporting period there were no significant changes in the Company's exposure to interest rate risk.

In KZT'000

Key management remuneration

Key management remuneration comprises the following:

	<i>Six months ended 30 June</i>	
	<i>2021 (unaudited)</i>	<i>2020 (unaudited)*</i>
Salaries and other short-term benefits	107,009	49,014
Social contributions	9,429	3,951
Total key management remuneration	116,438	52,965

**unaudited and unreviewed*

22. Capital adequacy

The Company maintains an actively managed capital base to cover risks inherent in the business. Adequacy of the Company's capital is monitored using, among other methods, the ratios set by NBRK.

As at 30 June 2021 and 31 December 2020, the Company was in full compliance with the externally imposed capital requirements.

The Company's capital management policy is to ensure the compliance by the Company with externally imposed capital requirements and maintain a credit rating and capital adequacy ratios, which ensure the sustainable operation of the Company and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities.

NBRK requires that the organisations engaged in certain types of banking activity to maintain a Tier 1 capital adequacy ratio (k1) of at least 6% of the assets; capital adequacy ratio (k1-2) in the amount of at least 6% of assets and risk-weighted contingent liabilities and commitments, and a total capital adequacy ratio (k1-3) of at least 12% of the assets and contingent liabilities and commitments weighted based on risk and operational risk.

As at 30 June 2021 and 31 December 2020, the Company's capital adequacy ratios calculated in accordance with the requirements of the NBRK were as follows:

	<i>30 June 2021 (unaudited)</i>	<i>31 December 2020</i>
Tier 1 capital	180,792,669	140,077,600
Tier 2 capital	20,004	19,660,049
Total equity	180,812,673	159,737,649
Risk-weighted assets	627,759,624	520,640,096
Contingent liabilities and commitments	47,851,675	48,315,487
Operational risk	32,162,228	24,776,717
Capital adequacy ratio (k1)	28.48%	25.58%
Capital adequacy ratio (k1-2)	26.76%	24.62%
Capital adequacy ratio (k1-3)	25.55%	26.90%

23. Subsequent events

On 29 July 2021 the Board of Directors of the Company approved the seventh issue of the bonds in the amount of KZT 5,000,000 thousand (unaudited) and the eighth issue of the bonds in the amount of KZT 29,100,000 thousand (unaudited) as part of the fourth bond program for financing projects of the agro-industrial complex under the State Programme "Employment Road Map for 2020-2021". Nominal coupon rate for all these bonds is 7.1% and maturity in 10 years.