

**KASPI.KZ**  
**JOINT STOCK COMPANY**

Interim Condensed Consolidated  
Financial Information  
For the nine months ended  
30 September 2021 (Unaudited)

# Kaspi.kz Joint Stock Company

## Table of Contents

---

	<b>Page</b>
STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021 (UNAUDITED)	1
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION	2
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021 (UNAUDITED):	
Interim condensed consolidated statement of profit or loss (unaudited)	3
Interim condensed consolidated statement of other comprehensive income (unaudited)	4
Interim condensed consolidated statement of financial position (unaudited)	5
Interim condensed consolidated statement of changes in equity (unaudited)	6
Interim condensed consolidated statement of cash flows (unaudited)	7
Selected explanatory notes to the interim condensed consolidated financial information (unaudited)	8-31

# Kaspi.kz Joint Stock Company

## Statement of Management's Responsibilities For the Preparation and Approval of the Interim Condensed Consolidated Financial Information For the Nine months ended 30 September 2021 (Unaudited)

---

Management of Kaspi.kz JSC is responsible for the preparation of the interim condensed consolidated financial information that presents fairly the interim condensed consolidated financial position of Kaspi.kz Joint Stock Company and its subsidiaries ("the Group") as at 30 September 2021, and the related interim condensed consolidated statements of profit or loss, other comprehensive income for the three and nine months then ended, changes in equity and cash flows for the nine months then ended, in compliance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34").

In preparing the interim condensed consolidated financial information, management is responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IAS 34 are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's interim condensed consolidated financial position and financial performance; and
- Making an assessment of the Group's ability to continue as a going concern.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- Maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the interim condensed consolidated financial position of the Group, and which enable them to ensure that the interim condensed consolidated financial information of the Group complies with IAS 34;
- Maintaining accounting records in compliance with the legislation of the Republic of Kazakhstan;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- Preventing and detecting fraud and other irregularities.

The interim condensed consolidated financial information of the Group for the nine months ended 30 September 2021 was authorized for issue on 29 October 2021 by the Chairman of the Management Board, the Chief Financial Officer and the Chief Accountant.

On behalf of the Management:

  
Mikhail Lomtadze  
Chairman of the Management Board

  
Tengiz Mosidze  
Chief Financial Officer

29 October 2021  
Almaty, Kazakhstan



  
Nailiya Ualibekova  
Chief Accountant

## REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To the Shareholders of Kaspi.kz Joint Stock Company

### Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kaspi.kz Joint Stock Company and its subsidiaries ("the Group") as at 30 September 2021 and the related interim condensed consolidated statements of profit or loss, other comprehensive income for the three and nine months then ended, changes in equity and cash flows for the nine months then ended, and selected explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

*Deloitte LLP*

29 October 2021  
Almaty, Kazakhstan

## Kaspi.kz Joint Stock Company

### Interim Condensed Consolidated Statement of Profit or Loss For the Three and Nine months ended 30 September 2021 (Unaudited)

(in millions of KZT, except for earnings per share which are in KZT)

	Notes	Nine months ended		Three months ended	
		30 September 2021 (unaudited)	30 September 2020 (unaudited)	30 September 2021 (unaudited)	30 September 2020 (unaudited)
<b>REVENUE</b>	4,5,6	<b>647,646</b>	<b>460,859</b>	<b>250,596</b>	<b>161,763</b>
Interest revenue		298,196	239,077	112,594	82,393
Fees & commissions		136,188	126,553	51,302	39,663
Transaction & membership revenue		119,705	64,182	47,149	26,417
Seller fees		96,548	33,355	40,341	15,218
Other gains (losses)		(2,991)	(2,308)	(790)	(1,928)
<b>COST OF REVENUE</b>	7	<b>(177,174)</b>	<b>(145,469)</b>	<b>(62,500)</b>	<b>(51,967)</b>
Interest expenses		(126,269)	(100,883)	(43,494)	(36,503)
Transaction expenses		(11,015)	(11,061)	(4,213)	(4,074)
Operating expenses		(39,890)	(33,525)	(14,793)	(11,390)
<b>TOTAL NET REVENUE</b>		<b>470,472</b>	<b>315,390</b>	<b>188,096</b>	<b>109,796</b>
Technology & product development		(30,929)	(18,653)	(10,964)	(6,558)
Sales & marketing		(41,330)	(31,108)	(12,346)	(13,295)
General & administrative expenses		(16,571)	(10,174)	(5,545)	(3,452)
Provision expense	8	(22,899)	(34,550)	(8,196)	(4,455)
<b>OPERATING INCOME</b>		<b>358,743</b>	<b>220,905</b>	<b>151,045</b>	<b>82,036</b>
Income tax	9	(60,870)	(36,522)	(26,236)	(13,232)
<b>NET INCOME</b>		<b>297,873</b>	<b>184,383</b>	<b>124,809</b>	<b>68,804</b>
Attributable to:					
Shareholders of the Company		295,551	182,696	123,828	68,196
Non-controlling Interests		2,322	1,687	981	608
<b>NET INCOME</b>		<b>297,873</b>	<b>184,383</b>	<b>124,809</b>	<b>68,804</b>
<b>Earnings per share</b>					
Basic (KZT)	10	<b>1,538</b>	<b>961</b>	<b>644</b>	<b>364</b>
Diluted (KZT)	10	<b>1,521</b>	<b>961</b>	<b>636</b>	<b>364</b>

On behalf of the Management:

  
Mikheil Lomtadze

Chairman of the Management Board

  
Tengiz Mosidze  
Chief Financial Officer



  
Nailya Ualibekova  
Chief Accountant

The notes on pages 8-30 form an integral part of this interim condensed consolidated financial information.

## Kaspi.kz Joint Stock Company

### Interim Condensed Consolidated Statement of Other Comprehensive Income For the Three and Nine months ended 30 September 2021 (Unaudited)

(in millions of KZT)

	Nine months ended		Three months ended	
	30 September 2021 (unaudited)	30 September 2020 (unaudited)	30 September 2021 (unaudited)	30 September 2020 (unaudited)
<b>NET INCOME</b>	<b>297,873</b>	<b>184,383</b>	<b>124,809</b>	<b>68,804</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Movement in investment revaluation reserve for equity instruments at fair value through other comprehensive income	70	(18)	33	(7)
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Movement in investment revaluation reserve for debt instruments at fair value through other comprehensive income:				
Gains/(losses) arising during the period, net of tax KZT Nil	856	2,808	(1,061)	3,498
Expected credit recoveries/(losses) recognised in profit or loss	30	1,891	(26)	1,017
Reclassification of losses included in profit or loss, net of tax KZT Nil	(542)	(455)	(296)	(179)
Other comprehensive gain/(loss) for the period	414	4,226	(1,350)	4,329
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>298,287</b>	<b>188,609</b>	<b>123,459</b>	<b>73,133</b>
Attributable to:				
Shareholders of the Company	295,961	186,878	122,492	72,480
Non-controlling Interests	2,326	1,731	967	653
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>298,287</b>	<b>188,609</b>	<b>123,459</b>	<b>73,133</b>

On behalf of the Management:

  
Mikheil Lomidze  
Chairman of the Management Board

  
Tengiz Mosidze  
Chief Financial Officer



  
Nailya Ualibekova  
Chief Accountant

The notes on pages 8-30 form an integral part of this interim condensed consolidated financial information.

## Kaspi.kz Joint Stock Company

Interim Condensed Consolidated Statement of Financial Position  
As at 30 September 2021 (Unaudited)  
(in millions of KZT)

	Notes	30 September 2021 (unaudited)	31 December 2020
<b>ASSETS:</b>			
Cash and cash equivalents	11	235,720	330,409
Mandatory cash balances with National Bank of the Republic of Kazakhstan		32,869	27,659
Due from banks		54,536	44,259
Investment securities and derivatives	12	839,261	869,572
Loans to customers	13,17	2,086,208	1,404,554
Property, equipment and intangible assets		74,229	70,016
Other assets		64,257	51,645
Assets classified as held for sale		-	8,628
<b>TOTAL ASSETS</b>		<b>3,387,080</b>	<b>2,806,742</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES:</b>			
Due to banks		26,396	-
Customer accounts	14,17	2,649,397	2,150,581
Debt securities issued		136,232	139,111
Other liabilities		54,795	41,343
Subordinated debt		65,990	78,009
Liabilities directly associated with the assets classified as held for sale		-	3,038
<b>TOTAL LIABILITIES</b>		<b>2,932,810</b>	<b>2,412,082</b>
<b>EQUITY:</b>			
Share capital	15	97,530	95,825
Additional paid-in-capital		506	506
Revaluation reserve of financial assets		5,581	5,171
Share-based compensation reserve		14,822	8,788
Retained earnings		331,431	280,828
Total equity attributable to Shareholders of the Company		449,870	391,118
Non-controlling interests		4,400	3,542
<b>TOTAL EQUITY</b>		<b>454,270</b>	<b>394,660</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>3,387,080</b>	<b>2,806,742</b>

On behalf of the Management:

  
Mikheil Lomtadze

Chairman of the Management Board

  
Tengiz Mosidze  
Chief Financial Officer



  
Nailya Ualibekova  
Chief Accountant

The notes on pages 8-30 form an integral part of this interim condensed consolidated financial information.

## Kaspi.kz Joint Stock Company

### Interim Condensed Consolidated Statement of Changes in Equity For the Nine months ended 30 September 2021 (Unaudited)

(in millions of KZT)

	Issued capital	Treasury shares	Additional paid-in capital	Revaluation reserve of financial assets	Share-Based Compensation reserve	Retained earnings	Total equity attributable to holders of the parent	Non-controlling interest	Total equity
<b>Balance at 1 January 2020</b>	130,144	(34,319)	506	472	-	195,232	292,035	3,587	295,622
Net income	-	-	-	-	-	182,696	182,696	1,687	184,383
Other comprehensive income	-	-	-	4,182	-	-	4,182	44	4,226
<b>Total comprehensive income</b>	-	-	-	4,182	-	182,696	186,878	1,731	188,609
Dividends declared	-	-	-	-	-	(179,298)	(179,298)	-	(179,298)
Dividends declared by subsidiary to non-controlling interest	-	-	-	-	-	-	-	(1,936)	(1,936)
<b>Balance at 30 September 2020 (unaudited)</b>	130,144	(34,319)	506	4,654	-	198,630	299,615	3,382	302,997
<b>Balance at 31 December 2020</b>	130,144	(34,319)	506	5,171	8,788	280,828	391,118	3,542	394,660
Net income	-	-	-	-	-	295,551	295,551	2,322	297,873
Other comprehensive income	-	-	-	410	-	-	410	4	414
<b>Total comprehensive income</b>	-	-	-	410	-	295,551	295,961	2,326	298,287
Dividends declared	-	-	-	-	-	(250,420)	(250,420)	-	(250,420)
Dividends declared by subsidiary to non-controlling interest	-	-	-	-	-	-	-	(1,468)	(1,468)
Share options accrued	-	-	-	-	13,211	-	13,211	-	13,211
Share options exercised	-	1,705	-	-	(7,177)	5,472	-	-	-
<b>Balance at 30 September 2021 (unaudited)</b>	130,144	(32,614)	506	5,581	14,822	331,431	449,870	4,400	454,270

On behalf of the Management:

  
Mikheil Komtaridze  
Chairman of the Management Board



  
Tengiz Moidtze  
Chief Financial Officer

  
Nailiya Ualibekova  
Chief Accountant

The notes on pages 8-30 form an integral part of this interim condensed consolidated financial information.



# Kaspi.kz Joint Stock Company

## Interim Condensed Consolidated Statement of Cash Flows For the Nine months ended 30 September 2021 (Unaudited) (in millions of KZT)

	Nine months ended 30 September 2021 (unaudited)	Nine months ended 30 September 2020 (unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Interest received from loans to customers	230,091	189,979
Other interest received	24,162	14,511
Interest paid	(122,401)	(97,984)
Expenses paid on obligatory insurance of individual deposits	(5,125)	(4,090)
Fees & commissions received	136,188	126,553
Seller fees received	96,548	33,355
Transaction & membership revenue received	115,491	57,188
Fee & commissions paid	(12,118)	(11,104)
Other income received	7,510	12,746
Other expenses paid	(106,702)	(87,002)
Cash flows from operating activities before changes in operating assets and liabilities	363,644	234,152
<b>Changes in operating assets and liabilities</b>		
<b>(Increase)/decrease in operating assets:</b>		
Mandatory cash balances with NBRK	(5,210)	(753)
Financial assets at FVTPL	(3,936)	6,403
Due from banks	(9,784)	6,140
Loans to customers	(703,292)	4,608
Other assets	(13,751)	(11,030)
<b>Increase/(decrease) in operating liabilities:</b>		
Due to banks	26,318	(3,000)
Customer accounts	491,451	302,606
Financial liabilities at FVTPL	3,166	(8,119)
Other liabilities	1,008	11,393
<b>Cash inflow from operating activities before income tax</b>	<b>149,614</b>	<b>542,400</b>
Income tax paid	(47,169)	(32,634)
<b>Net cash inflow from operating activities</b>	<b>102,445</b>	<b>509,766</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, equipment and intangible assets	(13,848)	(19,326)
Proceeds on sale of property and equipment	282	5,486
Proceeds on disposal of investment securities at FVTOCI	1,070,491	340,792
Purchase of investment securities at FVTOCI	(997,928)	(644,804)
Acquisition of subsidiary, net of cash acquired	-	(663)
Proceeds on sale of subsidiary	4,500	-
<b>Net cash inflow/(outflow) from investing activities</b>	<b>63,497</b>	<b>(318,515)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Dividends paid	(250,420)	(179,298)
Dividends paid by subsidiary to non-controlling interests	(1,468)	(1,075)
Repayment of subordinated debt	(9,958)	-
<b>Net cash outflow from financing activities</b>	<b>(261,846)</b>	<b>(180,373)</b>
Effect of changes in foreign exchange rate on cash and cash equivalents	1,215	19,608
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(94,689)</b>	<b>30,486</b>
CASH AND CASH EQUIVALENTS, beginning of period	330,409	239,140
<b>CASH AND CASH EQUIVALENTS, end of period</b>	<b>235,720</b>	<b>269,626</b>

On behalf of the Management:

  
Mikhail Lomzaev

Chairman of the Management Board

  
Tengiz Mosidze  
Chief Financial Officer



  
Nailya Ualibekova  
Chief Accountant

The notes on pages 8-30 form an integral part of this interim condensed consolidated financial information.

# Kaspi.kz Joint Stock Company

## Notes to the Interim Condensed Consolidated Financial Information For the Nine months ended 30 September 2021 (Unaudited)

(in millions of KZT)

---

### 1. Corporate information

#### Overview

Kaspi.kz operates the Kaspi.kz Super App, the gateway to the Kaspi.kz Ecosystem.

Through the Super App users can access Kaspi.kz's Payments, Marketplace and Fintech Platforms. The app is designed so that the growth and development of one service contributes to the growth and development of other services, creating powerful network effects. The popularity of the Super App has helped each platform achieve market leadership.

Highly relevant digital products and services make Kaspi.kz integral to the daily lives of both consumers and merchants in Kazakhstan. The combination of scale with both consumers and merchants, joined by a proprietary payments network makes our business model unique.

Going forward we will maintain a singular focus on expanding our ecosystem by developing innovative digital products. Technologically advanced products will transform the way consumers pay, shop and manage their personal finances, help merchants accelerate their growth as we emerge from the pandemic and allow us to make a significant contribution to Kazakhstan's digital transformation.

#### Kaspi.kz Segments

The Kaspi.kz Ecosystem is comprised of the following three market leading platforms centered around our customers' everyday needs:

- *Payments Platform* connects our customers, which consist of both consumers and merchants, to facilitate cashless, digital transactions. We offer our customers a proprietary technology platform to both pay and receive payments for goods and services, as well as to transfer and withdraw money. Consumers can transact with merchants and amongst themselves using services including the Kaspi.kz Super App, Kaspi QR Scan to Pay, Kaspi Gold debit card, any bankcard or e-Wallet. Merchants can accept payments from consumers using Kaspi Pay POS Solutions and Kaspi QR Checkout, amongst a wide suite of other products.

Following our recent acquisition of Portmone Group, we have entered the Ukrainian market and plan to initially launch payment services for merchants and consumers.

- *Marketplace Platform* connects merchants and consumers enabling merchants to increase their sales and consumers to buy a broad selection of products and services offered by a variety of merchants. We help merchants increase their sales by linking them to our technology, Payments Platform, Buy Now Pay Later consumer finance products, marketing and fulfillment. Fulfilment options include in-store pick up, delivery by merchants and delivery powered by Kaspi.kz.

In 2020 we launched Kaspi Travel, initially offering domestic and international flight tickets through our Super App and have just recently added domestic rail bookings in line with our plan to buildout a full online travel proposition.

## Kaspi.kz Joint Stock Company

### Notes to the Interim Condensed Consolidated Financial Information (Continued) For the Nine months ended 30 September 2021 (Unaudited)

(in millions of KZT)

In Azerbaijan, we operate a marketplace platform encompassing the country's leading real estate, new and used cars, new and used goods mobile classified apps.

- *Fintech Platform* enables customers to manage their personal finances online and access consumer finance and deposit products primarily through the Kaspi.kz Super App. Our Buy Now Pay Later consumer finance products are also strategically integrated around the product and merchant selection on our Marketplace Platform. This allows customers to shop and access financing seamlessly and then pay over time in affordable monthly installments. In 2020 we broadened our Fintech proposition to include working capital and micro finance products for merchants and these new products are scaling rapidly in 2021.

#### Information about the group of companies

Kaspi.kz Joint Stock Company ("the Company") was incorporated in the Republic of Kazakhstan in 2008. The Company is regulated by the National Bank of the Republic of Kazakhstan ("NBRK") and the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market ("the FMRDA"). The registered address of the Company is 154A, Nauryzbai Batyr street, Almaty, 050013, the Republic of Kazakhstan.

The Group's structure has not changed since 31 December 2020, except for sale of its subsidiary IC "Basel" JSC to a third party on 26 January 2021. As at the date of the sale, carrying amount of net assets disposed were KZT 4,498 million and the fair value of consideration received were KZT 4,500 million.

The shareholders' structure was as follows:

	30 September 2021 % (unaudited)	31 December 2020 %
<b>Ultimate shareholders:</b>		
Baring Vostok Funds	28.71	31.07
Vyacheslav Kim	24.13	24.52
Mikheil Lomtadze	23.30	22.92
Public Investors	21.01	18.83
Management	2.85	2.66
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

#### Operating environment

Emerging markets such as Kazakhstan are subject to different risks than developed markets, including economic, political and social, and legal and legislative risks. Laws and regulations affecting businesses in Kazakhstan continue to change rapidly, tax and regulatory frameworks are subject to varying interpretations. The future economic direction of Kazakhstan is heavily influenced by the fiscal and monetary policies adopted by the government, together with developments in the legal, regulatory, and political environment. Because Kazakhstan produces and exports large volumes of oil and gas, its economy is particularly sensitive to the price of oil and gas on the world market.

## Kaspi.kz Joint Stock Company

### Notes to the Interim Condensed Consolidated Financial Information (Continued) For the Nine months ended 30 September 2021 (Unaudited) (in millions of KZT)

---

After the majority of the government imposed restrictions in response to the COVID-19 pandemic were lifted, the economic environment in Kazakhstan has begun to recover. The accelerated vaccination program roll-out, as well as adaptation of businesses to new/modified sanitary requirements is likely to support further economic growth. Management of the Group continues to closely monitor the evolving situation and will take the necessary measures to support the sustainability and development of the Group's business in the foreseeable future.

This interim condensed consolidated financial information was approved on 29 October 2021.

## 2. Basis of presentation

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*. This interim condensed consolidated financial information has been prepared on the assumption that the Group is a going concern, as the Group has the resources to continue in operation for the foreseeable future. In making this assessment, the management have considered a wide range of information in relation to present and future economic conditions, including projections of cash flows, profit and capital resources. These considerations include a stress assessment assuming a prolonged negative impact of the COVID-19 pandemic on the Kazakhstan economy and as a result, its impact on the future financial performance of the Group. This interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements. The Group omitted disclosures, which would substantially duplicate the information contained in its audited annual consolidated financial statements for 2020 prepared in accordance with International Financial Reporting Standards ("IFRS"), such as accounting policies and details of accounts, which have not changed significantly in amount or composition.

The exchange rates at the period-end used by the Group in the preparation of the interim condensed consolidated financial information are as follows:

	30 September 2021	31 December 2020
KZT/USD	425.70	420.91
KZT/EUR	493.64	516.79

## 3. Significant accounting policies

This interim condensed consolidated financial information has been prepared under the historical cost convention, except for the revaluation of certain properties and financial instruments.

The same accounting policies, presentation and methods of computation have been followed in this interim condensed consolidated financial information as were applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2020 except for the following changes:

## Kaspi.kz Joint Stock Company

### Notes to the Interim Condensed Consolidated Financial Information (Continued) For the Nine months ended 30 September 2021 (Unaudited) (in millions of KZT)

---

#### Share-based compensation

##### *Share Options*

In September 2021, the Group introduced the following changes to its share-based compensation program:

The program was expanded to include more senior executives and other core Group personnel, who will receive share options of the Group. Share options were measured at fair value of the shares at the date of grant. Awards are payable in annual installments over a five-year vesting schedule.

In addition, the Group's previous phantom shares program was replaced with equity settled awards. The modified program is designed to better align the interests of the participants with the long-term interests of the Company and Shareholders. As a result of modification, a liability for phantom shares as at the date of replacement was derecognized and share options measured at its fair value at the date of the replacement were recognized. Awards are payable in annual installments over a five-year vesting schedule. The previous phantom share program had a two-year vesting schedule, with the second and final year due to vest in 2021.

Now all Share-based programs of the Group are equity settled with no phantom shares involved.

Both new share option programs are measured using the Black-Scholes model.

The following table summarizes the details of the share options outstanding:

	30 September 2021 (shares)	31 December 2020 (shares)
<b>Outstanding at the beginning of the period</b>	<b>1,911,115</b>	-
Granted	625,190	1,911,115
Forfeited	-	-
Exercised	(382,223)	-
Expired	-	-
<b>Outstanding at the end of the period</b>	<b>2,154,082</b>	<b>1,911,115</b>

#### Application of new and revised International Financial Reporting Standards (IFRSs)

The following amended standards and interpretations became effective for the Group from 1 January 2021, but did not have any significant impact on the Group's interim condensed consolidated financial information for the nine months ended 30 September 2021:

Amendments to IFRS 9, IAS 39,  
IFRS 7, IFRS 4, and IFRS 16

*Interest Rate Benchmark Reform Phase 2*

The Group did not early adopt any other standards, amendments or interpretations that have been issued and are not yet effective.

## Kaspi.kz Joint Stock Company

Notes to the Interim Condensed Consolidated Financial Information (Continued)  
For the Nine months ended 30 September 2021 (Unaudited)  
(in millions of KZT)

### 4. Revenue by Segments

The Group reports its business in three operating segments as described in Note 1 under Kaspi.kz Segments. Revenue by segments is presented below:

	Nine months ended 30 September 2021 (unaudited)	Nine months ended 30 September 2020 (unaudited)	Three months ended 30 September 2021 (unaudited)	Three months ended 30 September 2020 (unaudited)
<b>REVENUE</b>	<b>647,646</b>	<b>460,859</b>	<b>250,596</b>	<b>161,763</b>
<b>Marketplace</b>	<b>99,400</b>	<b>35,171</b>	<b>41,657</b>	<b>16,020</b>
Seller fees	96,548	33,355	40,341	15,218
Other gains	2,852	1,816	1,316	802
<b>Payments</b>	<b>148,176</b>	<b>82,606</b>	<b>58,490</b>	<b>34,012</b>
Transaction & membership revenue	112,543	59,621	44,671	24,741
Interest revenue	35,633	22,985	13,819	9,271
<b>Fintech</b>	<b>400,070</b>	<b>343,082</b>	<b>150,449</b>	<b>111,731</b>
Interest revenue	262,563	216,092	98,775	73,122
Fees & commissions	136,188	126,553	51,302	39,663
Transaction & membership revenue	7,162	4,561	2,478	1,676
Other losses	(5,843)	(4,124)	(2,106)	(2,730)

Revenue classification and distribution among segments is performed in accordance with the following guidelines:

*Marketplace* revenue includes seller fees paid by merchants and other partners when a sale is closed within the Marketplace Platform. Also, seller fees include revenue from delivery service and marketing expenses paid by merchants.

Other gains in Marketplace include revenue from Kaspi Travel LLC and the Company's subsidiary Digital Classifieds OÜ in the Republic of Azerbaijan.

*Payment* revenue includes transaction fees originated from processing payments for regular household needs, payments for purchases both online and in-store, other debit card transactions, online money wire transfers both inside the country and globally, and transactions by SME and corporate customers. It also includes annual fees paid by individual customers, SME and corporate customers for engagement in Kaspi Ecosystem. The Payments Platform segment also derives treasury revenue from free cash balances.

*Fintech* revenue includes interest income from originating financing to customers through the Kaspi.kz Super App or from financing purchases on the Marketplace Platform, third party merchant sites and third-party mobile apps.

It also includes banking fees and commissions, membership and other fees paid by customers, income/(loss) from foreign exchange revaluation, securities, interbank and derivatives, and fees/commissions from other banking services.

## Kaspi.kz Joint Stock Company

Notes to the Interim Condensed Consolidated Financial Information (Continued)  
For the Nine months ended 30 September 2021 (Unaudited)  
(in millions of KZT)

### 5. Segment Reporting

The Group reports its business in three operating segments as described in Note 1 to the interim condensed consolidated financial information of the Group.

The following tables present the summary of each segments revenue, net revenue and net income:

	Nine months ended 30 September 2021 (unaudited)	Nine months ended 30 September 2020 (unaudited)	Three months ended 30 September 2021 (unaudited)	Three months ended 30 September 2020 (unaudited)
<b>REVENUE</b>	<b>647,646</b>	<b>460,859</b>	<b>250,596</b>	<b>161,763</b>
Marketplace	99,400	35,171	41,657	16,020
Payments	148,176	82,606	58,490	34,012
Fintech	400,070	343,082	150,449	111,731
<b>NET REVENUE</b>	<b>470,472</b>	<b>315,390</b>	<b>188,096</b>	<b>109,796</b>
Marketplace	92,372	32,110	38,641	14,673
Payments	133,375	68,577	52,857	29,004
Fintech	244,725	214,703	96,598	66,119
<b>NET INCOME</b>	<b>297,873</b>	<b>184,383</b>	<b>124,809</b>	<b>68,804</b>
Marketplace	64,723	19,684	27,892	9,471
Payments	87,112	41,663	36,187	17,778
Fintech	146,038	123,036	60,730	41,555

Expenses associated with share-based compensation are recognized across the segments. The following table presents the summary of share-based compensation expense by segments:

	Nine months ended 30 September 2021 (unaudited)	Nine months ended 30 September 2020 (unaudited)	Three months ended 30 September 2021 (unaudited)	Three months ended 30 September 2020 (unaudited)
<b>SHARE-BASED COMPENSATION</b>	<b>(13,746)</b>	-	<b>(5,295)</b>	-
Marketplace	(1,282)	-	(524)	-
Payments	(3,153)	-	(1,214)	-
Fintech	(9,311)	-	(3,557)	-

Operating segments are reported in a manner consistent with internal reports, which are reviewed and used by management and board of directors (who are identified as Chief Operating Decision Makers, "CODM").

## Kaspi.kz Joint Stock Company

### Notes to the Interim Condensed Consolidated Financial Information (Continued) For the Nine months ended 30 September 2021 (Unaudited) (in millions of KZT)

#### 6. Revenue

Revenue includes interest revenue, fees, commissions, seller fees, transaction & membership revenue and other losses.

	Nine months ended 30 September 2021 (unaudited)	Nine months ended 30 September 2020 (unaudited)	Three months ended 30 September 2021 (unaudited)	Three months ended 30 September 2020 (unaudited)
<b>REVENUE</b>	<b>647,646</b>	<b>460,859</b>	<b>250,596</b>	<b>161,763</b>
Interest revenue	298,196	239,077	112,594	82,393
Fees & commissions	136,188	126,553	51,302	39,663
Seller fees	96,548	33,355	40,341	15,218
Transaction & membership revenue	119,705	64,182	47,149	26,417
Other losses	(2,991)	(2,308)	(790)	(1,928)

Interest revenue includes interest originated on loans to customers, securities and deposits placed with banks.

Fees & commissions revenue mainly includes banking service fees and commissions, which are paid by customers on a monthly basis.

Seller fees includes fees paid by merchants from shopping transaction originated on the Marketplace Platform. The Group earns seller fees when transactions are completed and are generally determined as a percentage based on the value of merchandise and services being sold by merchants. Seller fees also include revenue from delivery and marketing services paid by Marketplace merchants.

The Group earns Transaction and membership revenues when processing payments and engaging customers in the Kaspi Ecosystem. This includes transaction fees paid by merchants when the Group enables various payment and purchase transactions. It also includes membership fees paid by customers and merchants for accessing various Kaspi Ecosystem services.

Other losses are mainly due to net gains (losses) on foreign exchange operations and financial assets and liabilities at fair value through profit or loss. For the nine months ended 30 September 2021 and 2020, the net loss on foreign exchange operations were KZT 701 million and KZT (18,515) million, respectively. For the nine months ended 30 September 2021 and 2020, the net gain (loss) on financial assets and liabilities at fair value through profit or loss were KZT (7,462) million and KZT 13,936 million, respectively. It also includes revenue from Kaspi Travel LLC and revenue from Digital Classifieds OÜ in the Republic of Azerbaijan.

For the three months ended 30 September 2021 and 2020, the net loss on foreign exchange operations were KZT (1,992) million and KZT (8,476) million, respectively. For the three months ended 30 September 2021 and 2020, the net gain (loss) on financial assets and liabilities at fair value through profit or loss were KZT (4,506) million and KZT 5,567 million, respectively.



## Kaspi.kz Joint Stock Company

### Notes to the Interim Condensed Consolidated Financial Information (Continued) For the Nine months ended 30 September 2021 (Unaudited) (in millions of KZT)

#### 7. Cost of revenue

Cost of revenue includes interest expenses, transaction expenses and operating expenses which are directly attributable for the Group's everyday operating activities.

	Nine months ended 30 September 2021 (unaudited)	Nine months ended 30 September 2020 (unaudited)	Three months ended 30 September 2021 (unaudited)	Three months ended 30 September 2020 (unaudited)
<b>COST OF REVENUE</b>	<b>(177,174)</b>	<b>(145,469)</b>	<b>(62,500)</b>	<b>(51,967)</b>
Interest expenses	(126,269)	(100,883)	(43,494)	(36,503)
Transaction expenses	(11,015)	(11,061)	(4,213)	(4,074)
Operating expenses	(39,890)	(33,525)	(14,793)	(11,390)

Interest expenses include interest expenses on customer accounts, mandatory insurance of retail deposits and interest expenses on debt securities, including subordinated debt.

Transaction expenses are mainly composed of the costs associated with accepting, processing and otherwise enabling payment transactions. Those costs include fees paid to payment processors, payment networks and various service providers.

Operating expenses include costs incurred to operate retail network, 24-hour call support and communication with customers, product packaging and delivery, loan origination and risk assessment, customer deposit acquisition and other expenses which can be attributed to the Group's operating activities related to the origination and delivery of the products and services.

Employee benefits, depreciation and amortisation expenses and operating lease expenses are presented as follows:

	Nine months ended 30 September 2021 (unaudited)			Nine months ended 30 September 2020 (unaudited)		
	Employee benefits	Depreciation & amortisation	Operating lease	Employee benefits	Depreciation & amortisation	Operating lease
Cost of revenue	(12,046)	(609)	(850)	(13,037)	(454)	(984)
Sales & marketing	(267)	-	-	(260)	-	(2)
Technology & product development	(10,743)	(6,948)	(1,221)	(8,371)	(4,568)	(1,204)
General & administrative expenses	(17,694)	(1,325)	(1,551)	(4,390)	(1,549)	(1,451)
<b>Total</b>	<b>(40,750)</b>	<b>(8,882)</b>	<b>(3,622)</b>	<b>(26,058)</b>	<b>(6,571)</b>	<b>(3,641)</b>

## Kaspi.kz Joint Stock Company

### Notes to the Interim Condensed Consolidated Financial Information (Continued) For the Nine months ended 30 September 2021 (Unaudited)

(in millions of KZT)

	Three months ended 30 September 2021 (unaudited)			Three months ended 30 September 2020 (unaudited)		
	Employee benefits	Depreciation & amortisation	Operating lease	Employee benefits	Depreciation & amortisation	Operating lease
Cost of revenue	(3,519)	(222)	(264)	(4,190)	(162)	(310)
Sales & marketing	(85)	-	-	(93)	-	-
Technology & product development	(2,126)	(2,468)	(396)	(2,883)	(1,622)	(413)
General & administrative expenses	(8,186)	(398)	(522)	(1,414)	(511)	(480)
<b>Total</b>	<b>(13,916)</b>	<b>(3,088)</b>	<b>(1,182)</b>	<b>(8,580)</b>	<b>(2,295)</b>	<b>(1,203)</b>

Expenses associated with share-based compensation are recognized across the functions in which the compensation recipients are employed. The following table sets forth an analysis of share-based compensation expense by function for the periods indicated:

	Nine months ended 30 September 2021 (unaudited)	Nine months ended 30 September 2020 (unaudited)	Three months ended 30 September 2021 (unaudited)	Three months ended 30 September 2020 (unaudited)
<b>SHARE-BASED COMPENSATION</b>	<b>(13,746)</b>	-	<b>(5,295)</b>	-
Cost of revenue	(709)	-	(341)	-
Sales & marketing	(16)	-	(16)	-
Technology & product development	(6,127)	-	(2,434)	-
General & administrative expenses	(6,894)	-	(2,504)	-

## Kaspi.kz Joint Stock Company

### Notes to the Interim Condensed Consolidated Financial Information (Continued) For the Nine months ended 30 September 2021 (Unaudited) (in millions of KZT)

#### 8. Provision expense

The movements in loss allowance for the nine months ended 30 September 2021 were as follows:

	Loans to customers			Due from banks			Financial assets at fair value through other comprehensive income			Cash and cash equivalents		Other assets	Contin-gencies	Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 1			
<b>Loss allowance for ECL as at</b>	<b>40,062</b>	<b>7,674</b>	<b>74,153</b>	<b>26</b>	<b>-</b>	<b>2,564</b>	<b>3</b>	<b>-</b>	<b>2,058</b>	<b>28</b>	<b>126,942</b>			
Changes in provisions														
-Transfer to Stage 1	5,804	(1,241)	(4,563)	-	-	-	-	-	-	-	-	-	-	
-Transfer to Stage 2	(419)	941	(522)	-	-	-	-	-	-	-	-	-	-	
-Transfer to Stage 3	(1,954)	(4,891)	6,845	-	-	-	-	-	-	-	-	-	-	
Net changes, resulting from changes in credit risk parameters	(11,088)	7,420	12,122	-	-	60	(3)	-	1,530	(7)	10,016			
New assets issued or acquired	43,727	-	-	-	-	-	-	8	-	-	43,735			
Repaid assets (except for write-off)	(18,454)	(1,344)	(11,035)	-	-	-	-	(19)	-	-	(30,852)			
Write-off, net of recoveries	-	-	(13,998)	-	-	-	-	-	16	-	(13,982)			
Foreign exchange difference	-	-	1	1	-	-	-	-	-	2	4			
<b>As at 30 September 2021 (unaudited)</b>	<b>57,678</b>	<b>8,559</b>	<b>63,003</b>	<b>27</b>	<b>-</b>	<b>2,624</b>	<b>-</b>	<b>345</b>	<b>3,604</b>	<b>23</b>	<b>135,863</b>			

Net changes, resulting from changes in credit risk parameters include decrease of provisions due to partial repayment of loans.

As at 30 September 2021, the allowance for expected credit losses on financial assets at fair value through other comprehensive income of KZT 2,969 million (31 December 2020: KZT 2,938 million) is included in the 'Revaluation reserve of financial assets' within equity.

## Kaspi.kz Joint Stock Company

### Notes to the Interim Condensed Consolidated Financial Information (Continued) For the Nine months ended 30 September 2021 (Unaudited) (in millions of KZT)

The movements in loss allowance for the nine months ended 30 September 2020 were as follows:

	Loans to customers			Due from banks			Financial assets at fair value through other comprehensive income			Cash and cash equivalents			Total	
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3		Stage 1
<b>Loss allowance for ECL as at 31</b>														
<b>December 2019</b>	<b>31,983</b>	<b>5,235</b>	<b>70,195</b>	<b>22</b>	<b>304</b>	<b>789</b>	<b>-</b>	<b>9</b>	<b>2,378</b>	<b>51</b>	<b>110,966</b>			
Changes in provisions														
- Transfer to Stage 1	2,494	(563)	(1,931)	-	-	-	-	-	-	-	-	-	-	-
- Transfer to Stage 2	(1,246)	1,586	(340)	-	-	-	-	-	-	-	-	-	-	-
- Transfer to Stage 3	(1,901)	(3,775)	5,676	-	-	(789)	789	-	-	-	-	-	-	-
Net changes, resulting from changes in credit risk parameters	1,072	22,818	(92)	5	(22)	-	1,824	(6)	270	33	25,902			
New assets issued or acquired	22,971	-	-	-	95	-	-	-	-	-	23,066			
Repaid assets (except for write-off)	(10,926)	(618)	(2,868)	-	(6)	-	-	-	-	-	(14,418)			
Write-off, net of recoveries	-	-	(5,793)	-	-	-	-	-	(9)	-	(5,802)			
Foreign exchange difference	-	-	132	5	-	-	-	-	7	-	144			
<b>As at 30 September 2020 (unaudited)</b>	<b>44,447</b>	<b>24,683</b>	<b>64,979</b>	<b>32</b>	<b>371</b>	<b>-</b>	<b>2,613</b>	<b>3</b>	<b>2,646</b>	<b>84</b>	<b>139,858</b>			

## Kaspi.kz Joint Stock Company

### Notes to the Interim Condensed Consolidated Financial Information (Continued) For the Nine months ended 30 September 2021 (Unaudited) (in millions of KZT)

#### 9. Income tax

The Group provides for taxes for the current period based on the tax accounts maintained and prepared in accordance with the tax regulations of the Republic of Kazakhstan and the Republic of Azerbaijan, where the Company and its subsidiaries operate and which may differ from IFRS.

The Group is subject to certain permanent tax differences due to non-tax deductibility of certain expenses and a tax-free regime for certain income.

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Temporary differences relate mostly to different methods of income and expense recognition as well as to recorded values of certain assets.

Deferred income tax liabilities comprise:

	30 September 2021 (unaudited)	31 December 2020
Vacation reserve, accrued bonuses and share-based compensation	518	1,155
Property, equipment and intangible assets	(2,869)	(3,485)
Other	(22)	11
<b>Net deferred income tax liability</b>	<b>(2,373)</b>	<b>(2,319)</b>

Relationships between tax expenses and accounting profit are explained as follows:

	Nine months ended 30 September 2021 (unaudited)	Nine months ended 30 September 2020 (unaudited)	Three months ended 30 September 2021 (unaudited)	Three months ended 30 September 2020 (unaudited)
<b>Net income before income tax</b>	<b>358,743</b>	<b>220,905</b>	<b>151,045</b>	<b>82,036</b>
Tax at the statutory tax rate of 20%	71,749	44,181	30,209	16,407
Non-taxable income	(10,828)	(8,259)	(3,195)	(3,380)
Adjustment recognized in the period for current tax of prior periods	(1,626)	-	(1,626)	-
Non-deductible expense	1,575	600	848	205
<b>Income tax expense</b>	<b>60,870</b>	<b>36,522</b>	<b>26,236</b>	<b>13,232</b>
Current income tax expense	60,816	36,071	26,045	13,079
Deferred income tax expense	54	451	191	153
<b>Income tax expense</b>	<b>60,870</b>	<b>36,522</b>	<b>26,236</b>	<b>13,232</b>

## Kaspi.kz Joint Stock Company

### Notes to the Interim Condensed Consolidated Financial Information (Continued) For the Nine months ended 30 September 2021 (Unaudited)

(in millions of KZT)

Non-taxable income was represented by interest income on governmental and other qualified securities in accordance with the tax legislation. Corporate income tax rate is 20% in Kazakhstan and Azerbaijan.

	30 September 2021 (unaudited)	30 September 2020 (unaudited)
<b>Net deferred tax liability:</b>		
<b>As at 1 January</b>	<b>(2,319)</b>	<b>(2,373)</b>
Change in deferred income tax balances recognized in consolidated profit or loss	(54)	(451)
<b>At the end of the period</b>	<b>(2,373)</b>	<b>(2,824)</b>

## 10. Earnings per share

Earnings per share are determined by dividing the profit or loss attributable to owners of the Company by the weighted average number of participating shares outstanding during the reporting year, excluding treasury shares. For the purpose of diluted earnings per share calculation the Group considers dilutive effects of shares granted under share-based compensation plan.

	30 September 2021	30 September 2020
Net income attributable to the shareholders of the Company	295,551	182,696
Weighted average number of ordinary shares for basic earnings per share	192,187,223	191,805,000
Weighted average number of ordinary shares for diluted earnings per share	194,341,305	191,805,000
<b>Earnings per share – basic (KZT)</b>	<b>1,538</b>	<b>961</b>
<b>Earnings per share – diluted (KZT)</b>	<b>1,521</b>	<b>961</b>

Reconciliation of the number of shares used for basic and diluted EPS:

	30 September 2021	30 September 2020
Weighted average number of ordinary shares for basic earnings per share	192,187,223	191,805,000
Number of potential ordinary shares attributable to Share-based Compensation	2,154,082	-
<b>Weighted average number of ordinary shares for diluted earnings per share</b>	<b>194,341,305</b>	<b>191,805,000</b>

## Kaspi.kz Joint Stock Company

Notes to the Interim Condensed Consolidated Financial Information (Continued)  
For the Nine months ended 30 September 2021 (Unaudited)  
(in millions of KZT)

### 11. Cash and cash equivalents

	30 September 2021 (unaudited)	31 December 2020
Cash on hand	125,003	149,366
Short-term deposits with other banks	51,090	117,907
Current accounts with other banks	40,621	38,725
Reverse repurchase agreements	19,006	24,411
<b>Total cash and cash equivalents</b>	<b>235,720</b>	<b>330,409</b>

The fair value of collateral of reverse repurchase agreements, which were classified as cash and cash equivalents, are KZT 18,919 million and KZT 29,931 million, respectively.

### 12. Investment securities and derivatives

	30 September 2021 (unaudited)	31 December 2020
Total financial assets at FVTOCI	839,061	865,847
Total financial assets at FVTPL	200	3,725
<b>Total investment securities and derivatives</b>	<b>839,261</b>	<b>869,572</b>

	30 September 2021 (unaudited)	31 December 2020
Debt securities	838,721	865,577
Equity investments	340	270
<b>Total financial assets at FVTOCI</b>	<b>839,061</b>	<b>865,847</b>

Sovereign debt securities of KZT 583,094 million and KZT 659,132 million, respectively, were included in debt securities.

	A- and higher	BBB+ to BBB-	BB+ to B-	CCC+ and lower	Total
Investment securities and derivatives as at 30 September 2021 (unaudited)	1,341	828,381	7,795	1,744	839,261
Investment securities and derivatives as at 31 December 2020	3,368	850,128	14,766	1,310	869,572

As at 30 September 2021, investment securities and derivatives of the Group of KZT 836,977 million and KZT 1,744 million are classified in Stage 1 and Stage 3 (2020: KZT 864,267 million and KZT 1,310 million), respectively according to IFRS 9.

## Kaspi.kz Joint Stock Company

### Notes to the Interim Condensed Consolidated Financial Information (Continued) For the Nine months ended 30 September 2021 (Unaudited) (in millions of KZT)

Financial assets at fair value through profit or loss comprise:

	30 September 2021 (unaudited)	31 December 2020
Financial assets at fair value through profit or loss:		
Derivative financial instruments	200	3,725
<b>Total financial assets at fair value through profit or loss</b>	<b>200</b>	<b>3,725</b>

As at 30 September 2021, financial assets at FVTPL included swap and spot instruments were KZT 169 million with a notional amount of KZT 14,863 million and forwards were KZT 31 million with a notional amount of KZT 133,063 million. Financial liabilities at FVTPL included swap and spot instruments were KZT 137 million with a notional amount of KZT 14,869 million and forwards were KZT 6,022 million with a notional amount of KZT 143,274 million.

As at 31 December 2020, financial assets at FVTPL included swap and spot instruments were KZT 19 million with a notional amount of KZT 10,514 million and forwards were KZT 3,706 million with a notional amount of KZT 139,193 million. Financial liabilities at FVTPL included swap and spot instruments were KZT 3 million with a notional amount of KZT 10,488 million and forwards were KZT 2,990 million with a notional amount of KZT 142,428 million.

As at 30 September 2021 and 31 December 2020, restricted deposits included in due from banks with investment credit ratings (higher than 'BBB-') in favor of international payments systems were KZT 31,015 million and KZT 29,046 million, respectively and in favor of non-deliverable forwards of KZT 22,287 million and KZT 14,017 million, respectively.

### 13. Loans to customers

	30 September 2021 (unaudited)	31 December 2020
Gross loans to customers	2,215,448	1,526,443
Less: allowance for impairment losses (Note 8)	(129,240)	(121,889)
<b>Total loans to customers</b>	<b>2,086,208</b>	<b>1,404,554</b>

All loans to customers issued by the Group were allocated to Fintech segment for internal segment reporting purposes.

Movements in allowances for impairment losses on loans to customers for the nine months ended 30 September 2021 and 2020 are disclosed in Note 8.

As at 30 September 2021 and 31 December 2020, accrued interest of KZT 24,347 million and KZT 19,331 million, respectively, was included in loans to customers.



## Kaspi.kz Joint Stock Company

### Notes to the Interim Condensed Consolidated Financial Information (Continued) For the Nine months ended 30 September 2021 (Unaudited) (in millions of KZT)

Loans with principal or accrued interest in arrears for more than 90 days are classified as “Non-performing loans” (“NPL”). Allowance for impairment to gross NPLs reflects the Group’s ability to absorb potential losses from non-performing loans. Considering the ratio represents impairment loan loss allowances for the specific pool as a percentage of NPLs, the ratio can be more than 100%. With the adoption of IFRS 9, these loans were classified in stage 3.

The following tables set forth the Group’s outstanding NPLs as compared to the total allowance for impairment losses on total loans to customers:

	Gross NPLs	Total allowance for impairment losses	Total allowance for impairment losses to gross NPLs
Non-performing loans	111,810	129,240	116%
<b>Total non-performing loans to customers as at 30 September 2021 (unaudited)</b>	<b>111,810</b>	<b>129,240</b>	<b>116%</b>

	Gross NPLs	Total allowance for impairment losses	Total allowance for impairment losses to gross NPLs
Non-performing loans	120,894	121,889	101%
<b>Total non-performing loans to customers as at 31 December 2020</b>	<b>120,894</b>	<b>121,889</b>	<b>101%</b>

Provision expense on loans to customers:

	Nine months ended 30 September 2021 (unaudited)	Nine months ended 30 September 2020 (unaudited)
<b>Provision expense on loans to customers:</b>		
Loans to customers	(21,348)	(32,357)
<b>Total provision expenses on loans to customers</b>	<b>(21,348)</b>	<b>(32,357)</b>

Provision expense for the nine months ended 30 September 2020 contains increase in provision expense related to deterioration of macroeconomic forecasts due to start of COVID-19 global pandemic.

As at 30 September 2021 and 31 December 2020, the Group did not have outstanding loans which individually exceeded 10% of the Group’s equity.

## Kaspi.kz Joint Stock Company

### Notes to the Interim Condensed Consolidated Financial Information (Continued) For the Nine months ended 30 September 2021 (Unaudited) (in millions of KZT)

The gross carrying amount and related loss allowance on loans to customers by stage were as follows:

	<b>Stage 1</b> <b>12-month</b> <b>ECL</b>	<b>Stage 2</b> <b>Lifetime</b> <b>ECL</b>	<b>Stage 3</b> <b>Lifetime</b> <b>ECL</b>	<b>Total</b>
Loans to customers				
Gross carrying amount	2,063,894	23,632	127,922	2,215,448
Loss allowance	(57,678)	(8,559)	(63,003)	(129,240)
<b>Carrying amount as at 30 September 2021 (unaudited)</b>	<b>2,006,216</b>	<b>15,073</b>	<b>64,919</b>	<b>2,086,208</b>
Loans to customers				
Gross carrying amount	1,351,855	20,500	154,088	1,526,443
Loss allowance	(40,062)	(7,674)	(74,153)	(121,889)
<b>Carrying amount as at 31 December 2020</b>	<b>1,311,793</b>	<b>12,826</b>	<b>79,935</b>	<b>1,404,554</b>

As at 30 September 2021 and 31 December 2020, commitments on loans and unused credit lines represented by revocable loan commitments were KZT 116,288 million and KZT 91,920 million, respectively.

## 14. Customer accounts

	<b>30 September</b> <b>2021</b> <b>(unaudited)</b>	<b>31 December</b> <b>2020</b>
<b>Individuals</b>		
Time deposits	2,014,775	1,634,409
Current accounts	507,308	403,851
<b>Total due to individuals</b>	<b>2,522,083</b>	<b>2,038,260</b>
<b>Corporate customers</b>		
Time deposits	38,864	41,032
Current accounts	88,450	71,289
<b>Total due to corporate customers</b>	<b>127,314</b>	<b>112,321</b>
<b>Total customer accounts</b>	<b>2,649,397</b>	<b>2,150,581</b>

As at 30 September 2021 and 31 December 2020, accrued interest of KZT 15,870 million and KZT 12,265 million, respectively, was included in customer accounts.

As at 30 September 2021 and 31 December 2020, customer accounts of KZT 16,562 million and KZT 16,080 million, respectively, were held as security against loans, letters of credit, guarantees issued by the Group and other transactions related to contingent liabilities.

As at 30 September 2021 and 31 December 2020, customer accounts of KZT 95,424 million (3.60%) and KZT 76,576 million (3.56%), respectively, were due to the top twenty customers.

## Kaspi.kz Joint Stock Company

### Notes to the Interim Condensed Consolidated Financial Information (Continued) For the Nine months ended 30 September 2021 (Unaudited) (in millions of KZT)

#### 15. Share capital

The table below provides a reconciliation of the change in the number of authorized shares, shares issued and fully paid, treasury shares and shares outstanding:

	Authorised shares	Issued and fully paid shares	Treasury shares	Shares outstanding
<b>Ordinary shares</b>				
1 January 2020	216,742,000	199,500,000	7,695,000	191,805,000
Movement	-	-	-	-
<b>31 December 2020</b>	<b>216,742,000</b>	<b>199,500,000</b>	<b>7,695,000</b>	<b>191,805,000</b>
Movement	-	-	(382,223)	(382,223)
<b>30 September 2021</b>	<b>216,742,000</b>	<b>199,500,000</b>	<b>7,312,777</b>	<b>192,187,223</b>

In March 2021, share options in the quantity of 382,223 shares were exercised from treasury shares under the share-based compensation plan.

The table below provides a reconciliation of the change in outstanding share capital fully paid:

	Ordinary shares	Total
Balance at 1 January 2020	95,825	95,825
Movement	-	-
<b>31 December 2020</b>	<b>95,825</b>	<b>95,825</b>
Movement	1,705	1,705
<b>30 September 2021</b>	<b>97,530</b>	<b>97,530</b>

The following tables represent dividends declared:

	Dividends declared	Dividend per share
March 2021	170,662	KZT 888
September 2021	79,758	KZT 415
<b>Total as at 30 September 2021</b>	<b>250,420</b>	
	<b>Dividends declared</b>	<b>Dividend per share</b>
June 2020	76,563	KZT 399
September 2020	98,805	KZT 515
<b>Total as at 30 September 2020</b>	<b>175,368</b>	

## Kaspi.kz Joint Stock Company

### Notes to the Interim Condensed Consolidated Financial Information (Continued) For the Nine months ended 30 September 2021 (Unaudited)

*(in millions of KZT)*

---

#### 16. Fair value of financial instruments

##### **a. Fair value of financial instruments**

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

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

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

## Kaspi.kz Joint Stock Company

### Notes to the Interim Condensed Consolidated Financial Information (Continued) For the Nine months ended 30 September 2021 (Unaudited)

(in millions of KZT)

Financial assets/financial liabilities	Fair value as at	Fair value as at	Fair value	Valuation technique(s) and key input(s)
	30 September 2021 (unaudited)	31 December 2020	hierarchy	
Non-derivative financial assets at FVTOCI (Note 12)	433,082	406,772	Level 1	Quoted prices in an active market.
Non-derivative financial assets at FVTOCI (Note 12)	405,945	459,041	Level 2	Quoted prices in markets that are not active.
Unlisted Equity investments classified as financial assets at FVTOCI (Note 12)	34	34	Level 3	Adjusted net assets based on most recent published financial statements of unlisted companies with discount for marketability and liquidity. Discount ratios varies from 10% to 30%.
Derivative financial assets (Note 12)	200	3,725	Level 2	DCF method. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Derivative financial liabilities (Note 12)	6,159	2,993	Level 2	DCF method. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

As at 30 September 2021, the fair value of the investment securities in Level 2 includes short-term and long-term sovereign debt securities of KZT 176,662 million and KZT 97,264 million, respectively. As at 31 December 2020, the fair value of the investment securities in Level 2 includes short-term and long-term sovereign debt securities of KZT 303,024 million and KZT 67,347 million, respectively. Those investment securities are by nature and for regulatory purposes treated as high quality liquid assets, but are classified as Level 2 due to insufficient trading on active market.

## Kaspi.kz Joint Stock Company

Notes to the Interim Condensed Consolidated Financial Information (Continued)  
For the Nine months ended 30 September 2021 (Unaudited)  
(in millions of KZT)

### c. Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required).

Except as detailed in the following table, management of the Group considers that the carrying amount of financial assets and financial liabilities recognised in the interim condensed consolidated financial information approximate their fair values.

	30 September 2021 (unaudited)		
	Carrying amount	Fair value	Fair value hierarchy
Due from banks	54,536	54,488	Level 2
Loans to customers	2,086,208	2,120,620	Level 3
Due to banks	26,396	26,389	Level 2
Customer accounts	2,649,397	2,637,326	Level 2
Debt securities issued	136,232	134,103	Level 2
Subordinated debt	65,990	65,688	Level 2

  

	31 December 2020		
	Carrying amount	Fair value	Fair value hierarchy
Due from banks	44,259	44,203	Level 2
Loans to customers	1,404,554	1,482,035	Level 3
Customer accounts	2,150,581	2,109,827	Level 2
Debt securities issued	139,111	138,924	Level 2
Subordinated debt	78,009	77,506	Level 2

#### *Due from banks*

The estimated fair value of term due from banks is determined by discounting the contractual cash flows using interest rates currently offered for due from banks with similar terms.

#### *Loans to customers*

Loans to individual customers are made at fixed rates. The fair value of fixed rate loans has been estimated by reference to market rates available at the reporting date for loans with a similar maturity profile.

#### *Due to banks*

The estimated fair value of due to banks is determined by discounting the contractual cash flows using interest rates currently offered for due to banks with similar terms.

#### *Customer accounts*

The estimated fair value of term deposits is determined by discounting contractual cash flows using interest rates currently offered for deposits with similar terms. For current accounts, the Group considers fair value to equal carrying value, which is equivalent to the amount payable on the balance sheet date.

## Kaspi.kz Joint Stock Company

### Notes to the Interim Condensed Consolidated Financial Information (Continued) For the Nine months ended 30 September 2021 (Unaudited) (in millions of KZT)

#### *Debt securities issued, subordinated debt*

Debt securities issued and subordinated debt are valued using quoted prices.

#### *Assets and liabilities for which fair value approximates carrying value*

For financial assets and liabilities that have a short term maturity (less than 3 months), it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits and savings accounts without a maturity.

## 17. Transactions with related parties

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. The Group had the following transactions outstanding with related parties:

	As at 30 September 2021 (unaudited)		As at 31 December 2020	
	Transactions with related parties	Total category as per financial statements captions	Transactions with related parties	Total category as per financial statements captions
<b>Interim condensed consolidated statement of financial position</b>				
Loans to customers	3,696	2,215,448	4,098	1,526,443
- other related parties	3,696		4,098	
Allowance for losses on loans to customers	(15)	(129,240)	(1)	(121,889)
- other related parties	(15)		(1)	
Customer accounts	27,214	2,649,397	8,349	2,150,581
- key management personnel of the Group	13,837		1,235	
- other related parties	13,377		7,114	

Compensation to directors and other members of key management is presented as follows:

	Nine months ended 30 September 2021 (unaudited)		Nine months ended 30 September 2020 (unaudited)	
	Transactions with related parties	Total category as per financial statements captions	Transactions with related parties	Total category as per financial statements captions
<b>Compensation to key management personnel:</b>				
Employee benefits	(589)	(40,750)	(509)	(26,058)
Share-based compensation	(8,536)	(13,746)	-	-

## Kaspi.kz Joint Stock Company

### Notes to the Interim Condensed Consolidated Financial Information (Continued) For the Nine months ended 30 September 2021 (Unaudited) (in millions of KZT)

During the nine months ended 30 September 2021 and 2020, interest income from transactions with other related parties were KZT 276 million and KZT 68 million, respectively. During the nine months ended 30 September 2021 and 2020, interest expenses from transactions with key management personnel were KZT 19 million and KZT 9 million, respectively, and other related parties were KZT 104 million and KZT 102 million, respectively. During the nine months ended 30 September 2021 and 2020, transaction costs attributable to origination of loans to customers and paid to other related parties on an arm's length basis, were KZT 8,227 million and KZT 6,738 million, respectively.

## 18. Regulatory matters

The management of JSC Kaspi Bank (subsidiary of the Company) monitor capital adequacy ratio based on requirements of standardized approach of Basel Committee of Banking Supervision "Basel III: A global regulatory framework for more resilient banks and banking systems" (December 2010, updated in June 2011). In 2021, the management of JSC Kaspi Bank implemented updated requirements stated in Basel III: Finalising post-crisis reforms (December 2017). The new methodology introduces a unified standardized approach for estimation of risk weighted assets for the operational risk, replacing previously in force standardized and advanced measurement approaches.

The capital adequacy ratios calculated on the basis of JSC Kaspi Bank's consolidated financial statements under Basel III with updated RWA methodology are presented in the following table:

	30 September 2021 (unaudited) (as per updated approach)	31 December 2020 (unaudited) (as per updated approach)	31 December 2020 (as per previous approach)
Capital adequacy ratios:			
Tier 1 capital	15.2%	15.9%	14.7%
Total capital	17.7%	20.4%	18.8%

Kaspi Bank JSC complies with NBRK's capital requirements. The following table presents Kaspi Bank's JSC capital adequacy ratios in accordance with the NBRK requirements:

	30 September 2021 (unaudited)	31 December 2020
Capital adequacy ratios:		
Tier 1 capital (k1.2)	11.0%	11.3%
Total capital (k.2)	12.7%	14.3%

## 19. Subsequent events

On 8 October 2021, the Group completed the acquisition of Portmone Group, a payment company in Ukraine, from an unrelated third party. The initial accounting for the business combination was incomplete at the time the interim consolidated financial information was authorized for issue.



## **Kaspi.kz Joint Stock Company**

### **Notes to the Interim Condensed Consolidated Financial Information (Continued) For the Nine months ended 30 September 2021 (Unaudited)**

*(in millions of KZT)*

---

In October 2021, the Board of Directors of the Company proposed dividends in the amount of KZT 468 per one share for the total amount of KZT 89,944 million, subject to the Group's shareholders' approval.

In October 2021, the Group entered into an agreement to acquire 100% of the JSC BTA Bank Ukraine from an unrelated third party. As at the date of approval of this interim condensed consolidated financial information, completion of the acquisition is expected in the 1st quarter 2022 and is subject to receipt of the required regulatory approvals.