

**Microfinance Organization UNICREDO
LIMITED LIABILITY PARTNERSHIP**

Financial statements
for the year ended December 31, 2023

with Independent Auditor's Report

MICROFINANCE ORGANIZATION UNICREDO LLP

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MICROFINANCE ORGANIZATION UNICREDO LLP

MANAGEMENT CONFIRMATION OF RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

The following statement, which should be read in conjunction with the description of the auditors' responsibilities contained in the presented independent auditors' report, is intended to delineate the responsibilities of independent auditors and management with respect to the financial statements of Microfinance Organization UNICREDO LLP (hereinafter – the Company).

The management of the Company is responsible for preparing financial statements that faithfully reflect, in all material respects, the financial position of the Company on December 31, 2023, as well as its results of operations, cash flows and changes in equity for the year ended at that date, in accordance with International Financial Reporting Standards (IFRS).

The Management in preparing the financial statements is responsible for:

- selecting appropriate accounting principles and applying them consistently;
- making reasonable estimates and calculations;
- compliance with IFRS requirements;
- disclosure of additional information when compliance with IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial results, and
- preparing the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business for the foreseeable future.

The Management is also responsible for:

- development, implementation and maintenance of an effective and reliable system of internal control of the Company;
- maintaining an accounting system that allows at any time with a sufficient degree of accuracy to prepare information on the financial position of the Company and ensure the compliance of financial statements with IFRS requirements;
- maintaining accounting records in accordance with the legislation of the Republic of Kazakhstan;
- taking measures within its competence to ensure the safety of the Company's assets;
- detection and prevention of fraud, errors and other abuse.

These financial statements for the year ended December 31, 2023 were approved for issue by the Management of the Company on March 29, 2024.



M.T. Abdrakhova
Chief Accountant

March 29, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members and Management of Microfinance Organization UNICREDO LLP

Opinion

We have audited the financial statements of Microfinance Organization UNICREDO LLP (hereinafter referred to as the Company), which consists of statement of financial position on December 31, 2023, statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company on December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for expression of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Responsibilities of the Auditor for the Audit of the Financial Statements section of our independent auditors' report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with those requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit issues

Key audit issues are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period. These issues were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these issues.

Our description of how this issue was addressed in the course of our audit is set forth in this context with respect to the issues noted below. We have fulfilled the responsibilities described in the Responsibilities of the Auditor for the Audit of the Financial Statements section of our report, including with respect to this issue. Accordingly, our audit included performing procedures designed in response to our assessment of the risks of material misstatement of the financial statements.

The results of our audit procedures, including the procedures performed in considering these issues, provide the basis for our audit opinion on the accompanying financial statements.

Key issues	How the relevant key issue was addressed in our audit
<i>Expected credit losses on loans issued to customers</i>	
<p>Loans issued to customers amounted to 1,365,511 thousand tenge on December 31, 2023, representing 55.36% of assets and are presented net of provision for expected credit losses (ECL), which is calculated on a regular basis and is sensitive to the assumptions used, as disclosed in <i>Note 6</i>.</p> <p>Estimation and determination of the amount of expected credit losses requires the exercise of judgment and making assumptions in reviewing all reasonable and supportable information at the reporting date. Key areas of judgment and assumptions included timely identification of a significant increase in credit risk and estimation of the probability of default and loss given default relating to loans issued to customers (as required by IFRS 9).</p> <p>As a result of the materiality of the volume of loans issued to customers and the associated measurement uncertainty, this area is seen as the key audit issue.</p>	<p>We performed the following audit procedures, among other things, to analyze the adequacy of management’s professional judgment and assumptions about the valuation provision for ECL:</p> <ul style="list-style-type: none"> - we have evaluated the Company’s methodologies and models for calculating provisions against ECLs to assess their compliance with IFRS 9. We performed procedures for determining the parameters of default, factors for determining “significant increase in credit risk”; - we have performed, on a sample basis, an individual assessment of the provisions for ECLs; - we have evaluated the adequacy and appropriateness of the disclosures in accordance with IFRS 9.
<i>Classification and measurement of the financial liabilities of the Company in accordance with IFRS 9 Financial Instruments.</i>	
<p>The financial liabilities of the bonds issued, including accrued interest thereon, amounted to 1,842,138 thousand tenge on December 31, 2023, representing 95.72% of the Company’s liabilities, as disclosed in <i>Note 11</i>.</p> <p>The Company performed the classification and valuation of liabilities. Key areas of judgment included:</p> <ul style="list-style-type: none"> - allocation of financial debt by maturity; - estimation of bond liabilities taking into account bond issuance costs; - completeness and accuracy of accrued interest calculation; <p>the accuracy and adequacy of disclosures in the financial statements.</p>	<p>In evaluating financial liabilities, we performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> - we have evaluated the appropriateness of the classification and measurement of financial liabilities and their compliance with the requirements of IFRS 9; - we obtained from the Central Securities Depository a list of security holders as at the reporting date and reconciled for consistency of accounting data; - we performed an individual valuation of accrued interest on a sample basis; - we have evaluated the adequacy and appropriateness of disclosures in accordance with IFRS 9.

Other information

Other information includes the information contained in the Company's Annual Report for 2023, but excludes the financial statements and our auditor's report thereon. The Other Information is the responsibility of the Company's management. The Annual Report of the Company for 2023 is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not provide a conclusion expressing any form of assurance on that information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it is made available to us and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and whether the other information is otherwise materially misstated.

Responsibilities of the management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS and for the internal control system that management considers necessary to prepare financial statements that are free from material misstatement due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of the Company to continue to operate continuously, for disclosing, as appropriate, information related to business continuity, and for preparing statements based on the going concern assumption, unless management intends to liquidate the Company, terminate its activity or when it does not have any other real alternative, except liquidation or termination of activity.

Those responsible for corporate governance are responsible for overseeing the preparation of the financial statements of the Company.

Responsibilities of the auditor for the audit of financial statements

Our goal is to obtain reasonable assurance that the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report containing our opinion. Reasonable assurance represents a high degree of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always reveal material misstatement, if any. Misstatements may be the result of fraud or error and are considered material if it can reasonably be assumed that, individually or collectively, it may affect the economic decisions of users based on these financial statements.

We apply professional judgment and maintain professional skepticism throughout the audit as part of the audit conducted in accordance with the International Auditing Standards. In addition, we do the following:

- we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; develop and conduct audit procedures in response to these risks; We obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement as a result of fraud is higher than the risk of not detecting material misstatement as a result of an error, as fraud may include collusion, forgery, willful omission, misrepresentation of information, or bypassing internal controls;
- we obtain an understanding of the internal control system that is relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system;
- we evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- we conclude on the appropriateness of management's use of the going concern assumption and, based on the audit evidence obtained, whether there is a material uncertainty in relation to events or conditions that could cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we should draw attention in our auditor's report to the corresponding disclosures in the financial statements or, if such disclosures are inappropriate, modify our opinion. Our conclusions are based on audit evidence obtained prior to the date of our audit report. However, future events or conditions may cause the Company to cease its ability to continue as a going concern;

- we evaluate the presentation of the financial statements, their structure and content, including disclosures, and whether the financial statements and the underlying transactions and events are presented in a manner that ensures their fair presentation;
- we obtain sufficient appropriate audit evidence regarding the Company’s financial information to express an opinion on the financial statements. We are responsible for the overall direction, supervision, and performance of the Company’s audit. We are solely responsible for our audit opinion.

We carry out information interaction with persons responsible for corporate governance, bringing to their attention, among other things, information about the planned scope and timing of the audit, as well as significant comments on the audit results, including significant deficiencies in the internal control system that we identify during the audit process.



 A.S. Slam
 Auditor
 IAC Concord LLP

The qualification certificate of the auditor
 No. MF-0001037 dated February 20, 2020

March 29, 2024



 Z.T. Mukhamezjanova
 Auditor/Managing Partner
 IAC Concord LLP

The state license to engage in auditing
 activities, series MFY-2 No. 0000084, issued
 by the Ministry of Finance of the Republic of
 Kazakhstan dated from March 5, 2012

MICROFINANCE ORGANIZATION UNICREDO LLP

STATEMENT OF FINANCIAL POSITION ON DECEMBER 31, 2023

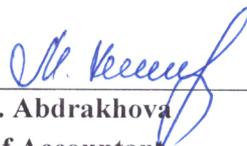
(in thousands of Kazakhstani tenge)

Name of the item	Note	December 31, 2023	December 31, 2022 (restated)*
Assets			
Cash and cash equivalents	5	514 380	57 315
Loans issued to customers	6	1 365 456	1 091 342
Other receivables	7	269 488	138 986
Loans issued	8	69 158	56 382
Right-of-use assets	9	10 559	15 585
Property, plant and equipment and intangible assets		16 164	11 056
Deferred tax assets	19	-	377
Other assets	10	221 303	18 496
Total assets		2 466 508	1 389 539
Liabilities			
Debt securities issued	11	1 842 138	805 580
Liabilities for corporate income taxes		43 488	90 437
Liabilities for deferred tax		192	-
Liabilities under lease agreements		15 392	17 284
Short-term payables	12	4 495	6 193
Other liabilities	13	18 781	11 054
Total liabilities		1 924 486	930 548
Equity			
Authorized capital	14	200 000	100 000
Additional paid-in capital		54 750	54 750
Retained earnings		287 272	304 241
Total equity		542 022	458 991
Total liabilities and equity		2 466 508	1 389 539

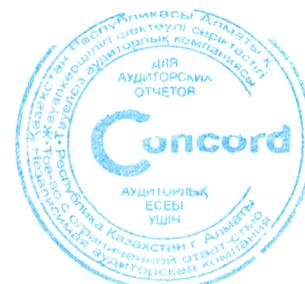
* Certain amounts in this column are not consistent with the financial statements for the year ended December 31, 2022 as they reflect adjustments made as detailed in Note 4.


Y.V. Kan
General Director

March 29, 2024


M.T. Abdrakhova
Chief Accountant

The statement of financial position should be read in conjunction with the notes to the financial statements on pages 12-37.



MICROFINANCE ORGANIZATION UNICREDO LLP

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of Kazakhstani tenge)

	Note	2023	2022 (restated)*
Interest income	15	1 152 045	1 656 978
Interest expenses	16	(160 622)	(53 486)
Total operating profit		991 423	1 603 492
Administrative expenses	17	(888 460)	(390 356)
Other expenses, net	18	(73 077)	(800 354)
Profit before tax		29 886	412 782
Corporate income tax saving/(expense)	19	(46 855)	47 296
Net profit/(loss) for the year		(16 969)	460 078
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		(16 969)	460 078



Y. K. K...
General Director

M. T. Abdrakhova
M.T. Abdrakhova
Chief Accountant

March 29, 2024

The statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the financial statements on pages 12-37.



MICROFINANCE ORGANIZATION UNICREDO LLP

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of Kazakhstani tenge)

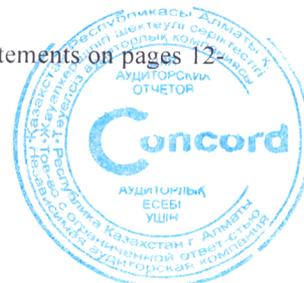
	Authoriz ed capital	Additional paid-in capital	Retained earnings	Total equity
On December 31, 2021	70 000	54 750	24 830	149 580
Net profit for the year	-	-	460 078	460 078
Comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	460 078	460 078
Contributions from owners (Note 14)	30 000	-	-	30 000
Other transactions with owners (Note 4)	-	-	(41 882)	(41 882)
On December 31, 2022	100 000	54 750	443 026	597 776
Adjustment of prior period	-	-	(138 785)	(138 785)
On January 1, 2023 (restated)*	100 000	54 750	304 241	458 991
Net loss for the year	-	-	(16 969)	(16 969)
Comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(16 969)	(16 969)
Contributions from owners (Note 14)	100 000	-	-	100 000
On December 31, 2023	200 000	54 750	287 272	542 022



M.T. Abdrakhova
M.T. Abdrakhova
Chief Accountant

March 29, 2024

The statement of changes in equity should be read in conjunction with the notes to the financial statements on pages 12-37.



MICROFINANCE ORGANIZATION UNICREDO LLP

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of Kazakhstani tenge)

	2023	2022
Cash flows from operating activities		
Interest received on loans issued to customers	1 111 454	986 387
Interest received on reverse repo transactions	230	13 155
Accrued coupon received on bonds issued	28 975	3 856
Interest received on deposits	15 829	3 201
Interest paid on bonds issued	(125 686)	(50 446)
Interest paid on repo transactions	-	(1 164)
Other operational expenses paid	(155 103)	(284 345)
Net realized profit/(loss) from dealing in foreign currencies	417	(827)
Personnel expenses paid	(155 121)	(75 170)
Taxes other than corporate income tax and social contributions paid	(70 565)	(26 551)
Cash flows from operating activities before changes in operating assets and liabilities	650 430	568 096
<i>Net (increase)/decrease in operating assets</i>		
Deposits in banks		(20 884)
Loans issued to customers	(410 697)	(993 995)
Other assets	(772 610)	(123 116)
<i>Net (increase)/decrease in operating liabilities</i>		
Other liabilities	-	(43 710)
Cash flows from operations to corporate income tax	(532 877)	(613 609)
Corporate income tax paid	(90 437)	(1 706)
Net cash flows from operating activities	(623 314)	(615 315)
Cash flows from investing activities		
Loans issued to member (Note 8)	-	(91 800)
Net receipt under reverse repurchase agreements	-	406 808
Net cash flows from investing activities	-	315 008
Cash flows from financing activities		
Contribution to authorized capital (Note 14)	100 000	30 000
Debt securities issued (Note 11)	1 940 904	215 443
Option payments to bondholders (Note 11)	(936 260)	(154 808)
Repayment of lease liabilities (Note 9)	(4 770)	(3 182)
Net cash flows from financing activities	1 099 874	87 453
Net change in cash	476 560	(212 854)
Impact of exchange rates to tenge	(14 913)	(3 619)
Cash at the beginning of the reporting year	58 125	274 598
Cash at the end of the reporting year	519 772	58 125

Non-monetary transactions

Withholding tax credit on deposits	2 798	565
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March 29, 2024

M.T. Abdrakhova
Chief Accountant

The statement of cash flows should be read in conjunction with the notes to the financial statements on pages 12-37.



MICROFINANCE ORGANIZATION UNICREDO LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of Kazakhstani tenge)

1. GENERAL INFORMATION

Microfinance Organization UNICREDO LLP (hereinafter – the Company) was registered in the Republic of Kazakhstan on November 11, 2019.

Regulation and supervision of the sphere of activity of the Company is carried out by the Agency of the Republic of Kazakhstan on Regulation and Development of Financial Markets. The Company is included in the register of microfinance organizations based on license No. 02.21.0069.M. dated April 9, 2021, issued by the Department of Regional Representatives in Almaty of the Agency of the Republic of Kazakhstan on Regulation and Development of Financial Markets.

The main activity of the Company is to provide microloans to individuals without collateral.

The authorized capital of the Company amounted to 200,000 thousand tenge on December 31, 2023 (in 2022: 100,000 thousand tenge).

Information about the members on:

	December 31, 2023		December 31, 2022	
	amount, thousand tenge	ownership interest, %	amount, thousand tenge	ownership interest, %
S.B. Abdrassulova	113 520	56,76%	63 000	63%
Y.V. Kan	86 480	43,24%	37 000	37%
	200 000	100%	100 000	100%

Mrs. S.B. Abdrassulova is the ultimate beneficial owner of the Company.

The legal and actual address is 2 Zhandosov Street, office 218, Bostandyk District, Almaty, 050010, Republic of Kazakhstan.

The Company has no branches or representative offices in the regions or abroad of the Republic of Kazakhstan.

The Company had 30 employees on December 31, 2023 and 22 employees on December 31, 2022, respectively.

Conditions for conducting business activities in the Republic of Kazakhstan

The Company's operations are located in the Republic of 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. The 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 actual impact of future business conditions may differ from management's assessment.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

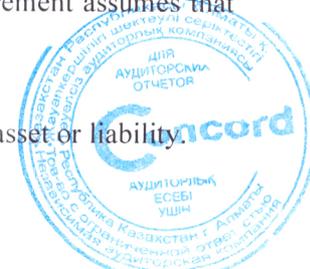
These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS).

The Company maintains its records in Kazakhstan monetary units (tenge) in accordance with the applicable laws of the Republic of Kazakhstan. These financial statements are presented in thousands of tenge.

These financial statements have been prepared under the historical cost convention, except for assets and liabilities accounted for at fair value as disclosed below.

Fair value is 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. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place:

- either in the principal market for the asset or liability;
- or, in the absence of a principal market, in the most advantageous market for the asset or liability.



MICROFINANCE ORGANIZATION UNICREDO LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of Kazakhstani tenge)

The Company determines for assets and liabilities that are recognized in the financial statements on a recurring basis, whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company must have access to the principal or most advantageous market. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best interest. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described in *Note 22*, based on the lowest level input that is significant to the fair value measurement as a whole.

Two fundamental assumptions used in preparing the financial statements are the use of the accrual basis of accounting and the going concern basis of accounting.

Financial statements prepared on an accrual basis inform users not only about past transactions related to the payment and receipt of cash, but also about obligations to pay money in the future, and about resources representing cash to be received in the future.

Going concern principle

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company's ability to realize its assets and conduct operations in the future may be significantly affected by current and future economic conditions in Kazakhstan.

Therefore, the Company is not expected to have the intention or need to liquidate or significantly curtail its operations.

Recognition of elements of financial statements

The Company presents its statement of financial position broadly in order of liquidity. A breakdown of amounts recoverable or payable within 12 months after the statement of financial position date (current) and more than 12 months after the statement of financial position date (non-current) is provided in *Note 20*.

The financial statements include all assets, liabilities, equity, income, and expenses that are elements of these financial statements as line items. Several elements of financial statements may be combined into a single line item based on their characteristics.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the financial statements of the Company for the year ended December 31, 2022, except for newly adopted standards and amendments effective January 1, 2023.

The Company has not early adopted any other standard, clarification or amendment that has been issued but is not yet effective.

New standards, interpretations and amendments to existing standards and interpretations applied by the Company for the first time

The Company applied the amendments and interpretations below for the first time during the reporting period, but they did not have any impact on its financial statements:

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a new comprehensive financial reporting standard for insurance contracts - IFRS 17 - replacing the previous standard IFRS 4 Insurance Contracts issued in 2005. The new standard applies to all types of insurance contracts, including life insurance, non-life insurance, and direct insurance and reinsurance, and applies to all types of entities issuing such contracts, as well as to certain guarantees and financial instruments with discretionary participation terms, except for a few exceptions. The objective of IFRS 17 is to provide a more efficient and consistent model for insurers to account for insurance contracts. Unlike the previous requirements of IFRS 4, which relied primarily on localized accounting policies, IFRS 17 offers a comprehensive accounting model covering all relevant



MICROFINANCE ORGANIZATION UNICREDO LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of Kazakhstani tenge)

aspects. This standard is based on the general model and is supplemented by certain changes for insurance contracts with direct participation terms (variable remuneration method) and the simplified approach (premium allocation approach), which applies mainly to short-term contracts.

This standard had no impact on the Company's financial statements.

Definition of Accounting Estimates – Amendment to IAS 8

The amendments to IAS 8 clarify the difference between changes in accounting estimates and changes in accounting policies and error correction. It also clarifies how entities use measurement techniques and inputs to develop accounting estimates.

These amendments did not have any impact on the Company's financial statements.

Disclosure of Accounting Policies – Amendments to IAS 1 and Practice Statement No. 2 on the Application of IFRS

The amendments to IAS 1 and Practice Statement No. 2 on the Application of IFRSs, Making Materiality Judgments, provide guidance and examples to assist entities in applying materiality judgments to accounting policy disclosures. The amendments should help entities disclose more useful accounting policies by replacing the requirement for entities to disclose 'significant accounting policies' with a requirement to disclose 'material accounting policies' and by adding guidance on how entities should apply the concept of materiality when making accounting policy disclosure decisions.

These amendments did not have any impact on the Company's financial statements. However, they are expected to have an impact on the disclosure of accounting policies in the Company's annual financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Taxes narrow the scope of the initial recognition exemption so that it no longer applies to transactions that give rise to equivalent taxable and deductible temporary differences, such as leases or decommissioning obligations. These amendments did not have any impact on the Company's financial statements.

International Tax Reform Pillar Two Model Rules – Amendments to IAS 12

The amendments provide companies with a temporary exemption from accounting for deferred taxes arising from the Organization for Economic Cooperation and Development (OECD) international tax reform.

The amendments, issued on May 23, 2023, provide as follows:

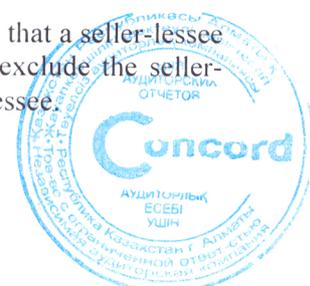
- a mandatory temporary exemption from accounting for deferred taxes arising from the enactment of the Pillar Two model rules; and
- disclosure requirements that would help users of the financial statements of an entity subject to the new legislation to better understand how it is affected by the Pillar Two income tax under the legislation, including before its enactment.

The amendment to the mandatory temporary exemption is effective immediately, but its application must be disclosed. With respect to the disclosure requirements, they are effective for annual reporting periods beginning on or after January 1, 2023, but are not effective for interim periods ending on or before December 31, 2023. These amendments did not have any impact on the Company's financial statements.

New standards, amendments and interpretations that have been issued but are not yet effective as of the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, amendments and interpretations, if applicable, when they become effective.

Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 that clarify the requirements that a seller-lessee uses when measuring a lease liability arising from a sale and leaseback transaction to exclude the seller-lessee from recognizing any gain or loss relating to the right of use retained by the seller-lessee.



MICROFINANCE ORGANIZATION UNICREDO LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of Kazakhstani tenge)

The amendments are effective for annual periods beginning on or after January 1, 2024 and are to be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Early application is permitted, provided that this fact is disclosed. These amendments are not expected to have a material impact on the Company's financial statements.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69-76 of IAS 1 that clarify the requirements for classifying liabilities as current or non-current. The amendments clarify the following:

- that is meant by the right to defer settlement of liabilities;
- the right to defer settlement of liabilities must exist at the end of the reporting period;
- the classification of liabilities is not affected by the likelihood that the entity will exercise its right to defer settlement of the liability;
- the terms of the liability will not affect its classification only if the derivative embedded in the convertible liability is itself an equity instrument.

In addition, disclosure was required when an obligation arising from a loan agreement is classified as long-term and the entity's right to defer settlement of the obligation is contingent upon compliance with future covenants for twelve months.

These amendments are effective for annual periods beginning on or after January 1, 2024 and are applied retrospectively. The Company is currently analyzing the potential impact of these amendments on the current classification of its liabilities and the need to renegotiate the terms of its existing loan agreements.

Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures that describe the characteristics of vendor financing arrangements and require additional disclosures about those arrangements. The disclosure requirements are intended to help users of financial statements understand the effect of vendor financing arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual periods beginning on or after January 1, 2024. Early application is permitted, subject to disclosure of that fact. These amendments are not expected to have a material impact on the Company's financial statements.

Foreign currency translation

Transactions in foreign currencies are translated to tenge at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into tenge at the official exchange rate at that date. Foreign exchange differences arising on translation are recognized in the statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

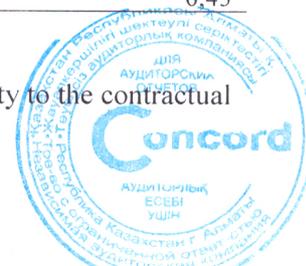
Weighted average currency exchange rates established by the Kazakhstan Stock Exchange (KASE) are used as official rates in the Republic of Kazakhstan.

The following official exchange rates have been used by the Company in the preparation of these financial statements:

<i>in tenge</i>	December 31, 2023	December 31, 2022
US dollar	454,56	462,65
Russian ruble	5,06	6,43

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual relationship of the related financial instrument.



MICROFINANCE ORGANIZATION UNICREDO LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of Kazakhstani tenge)

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) increase or decrease the fair value of financial assets or financial liabilities on initial recognition, respectively.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are charged directly to profit or loss.

Subsequent classification

Financial assets

Financial assets are classified as financial assets at amortized cost (debt instruments) or as financial assets at fair value for the purposes of subsequent classification.

Financial assets measured at amortized cost (debt instruments)

The Company measures financial assets at amortized cost if the following conditions are met:

- the financial asset is held within a business model whose purpose is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that are measured at amortized cost are subsequently measured using the effective interest method and impairment requirements are applied. A profit or loss is recognized in profit or loss when it is derecognized, modified or impaired.

Financial assets at fair value through profit or loss

The category of financial assets at fair value through profit or loss includes financial assets held for sale classified at the Company's option at initial recognition as at fair value through profit or loss. Financial assets whose cash flows do not represent solely payments of principal and interest are classified and measured at fair value through profit or loss irrespective of the business model used.

The Company does not hold any financial assets in this category on the reporting date.

Financial assets measured at fair value through other comprehensive income

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to collect the contractual cash flows, and the sale of the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

The Company has no financial assets in this category on the reporting date.

Solely Payments of Principal and Interest test (SPPI test)

As part of the second step of the classification process, the Company evaluates the contractual terms of a financial asset to determine whether the asset's contractual cash flows represent solely payments of principal and interest on the outstanding principal balance (SPPI test).

For the purposes of this test, 'principal' is the fair value of a financial asset at initial recognition and may change over the life of the financial asset (for example, if there are principal repayments or amortization of premium/discount).

The most significant elements of interest within a loan agreement are typically consideration for the time value of money and consideration for credit risk. In order to perform the SPPI test, the Company applies judgment and analyzes relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is fixed.



MICROFINANCE ORGANIZATION UNICREDO LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of Kazakhstani tenge)

Cash and cash equivalents

Cash includes cash on hand, current accounts with banks, cash on deposit bank accounts with a maturity of less than three months, and cash in transit.

Reclassification of financial assets and liabilities

The Company does not reclassify financial assets after initial recognition, unless the Company changes its business model for managing financial assets. Financial liabilities are never reclassified.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The right to offset shall not be contingent on a future event and shall be legally enforceable in all of the following circumstances:

- in the ordinary course of business;
- in the event of default; and
- in the event of insolvency or bankruptcy of the organization or any of its counterparties.

These conditions are generally not met for master netting arrangements and the related assets and liabilities are recognized in the statement of financial position in full.

Derecognition

Financial assets are derecognized when the Company loses control over the contractual rights to the asset. This occurs when the rights are realized, transferred or expire. Financial liabilities are derecognized when they are extinguished.

Financial liabilities

The Company classifies financial liabilities as other financial liabilities. Other financial liabilities include debt securities issued, loans received, lease liabilities, trade and other payables.

Trade payables and other current cash liabilities are recognized at cost, which is the fair value of the amount to be paid in the future for goods or services received, whether or not billed to the Company.

Subsequent measurement depends on their classification. Debt securities, loans received, trade and other payables after initial recognition are measured at amortized cost using the effective interest method.

Income and expense are recognized in profit or loss when the liabilities are derecognized and as they are amortized using the effective interest rate method.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Property, plant and equipment

Initial cost of property, plant and equipment when purchased for payment is determined by the sum of actual costs of purchase or production costs, and other costs directly attributable to the purchase of property, plant and equipment and the cost of bringing them to a condition in which they are suitable for use.

After initial recognition as an asset, an item of property, plant and equipment must be carried at initial cost less accumulated depreciation and accumulated impairment losses. The Company includes in the carrying amount of an item of property, plant and equipment expenditures for improvements and repairs that extend the useful lives of the assets or improve their revenue generating capacity. Repairs and maintenance expenditures that do not meet this criterion for capitalization are recognized in the statement of profit or loss and other comprehensive income as an expense as incurred.



MICROFINANCE ORGANIZATION UNICREDO LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of Kazakhstani tenge)

Depreciation

The cost of property, plant and equipment is systematically expensed over their useful lives through depreciation charges. The depreciation charge for each period is recognized as an expense. Depreciation is charged on a straight-line basis over the following useful lives of the assets:

	Useful life
Vehicles	10 years
Computer equipment	from 6 to 10 years
Cash register equipment	from 4 to 10 years
Furniture	from 6 to 10 years

For fully depreciated property, plant and equipment, depreciation accrual stops on the first day of the month following the last month in which the depreciable value of these assets was fully transferred to the cost of products (works, services) and is to be written off the balance. If an object of property, plant and equipment is fully self-depreciated, but can perform its functions, its value and useful life are not revised.

Profit or loss from the sale or disposal of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss and other comprehensive income.

Intangible assets

Intangible assets are recognized at cost, which includes the purchase price and all costs directly attributable to preparing the asset for its intended use.

After initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. The cost of intangible assets is systematically expensed over their useful lives using the straight-line amortization method.

The amortization charge for each period is recognized as an expense. Amortization rates are set based on the useful lives of intangible assets. The useful life of an intangible asset is determined by an expert committee and the Company's management based on future economic benefits that the Company expects to derive from the use of the intangible asset.

The Company assesses at each reporting date whether there is any indication that intangible assets may be impaired. If any such indication exists, the Company estimates the asset's recoverable amount. The useful life of an asset is reviewed by the intangible asset commission at each reporting date. If the expected useful life of the asset differs from previous estimates, the amortization period for the current and future periods is changed.

Lease

At inception of an arrangement, the Company assesses whether the arrangement is or contains a lease. In other words, the Company determines whether the arrangement conveys the right to control the use of an identifiable asset for a period of time in exchange for consideration.

Right-of-use assets

The Company recognizes right-of-use assets at the lease commencement date (i.e., the date that the underlying asset becomes available for use). Right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment losses, adjusted for lease liability remeasurements.

The initial cost of the right-of-use asset includes the amount of the lease liability recognized, initial direct costs incurred and lease payments made on or before the commencement date, less lease incentives received. If the Company is not reasonably certain that it will obtain ownership of a leased asset at the end of the lease term, the right-of-use asset recognized is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term. Right-of-use assets are tested for impairment.



MICROFINANCE ORGANIZATION UNICREDO LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of Kazakhstani tenge)

Lease liabilities

At lease commencement, the Company recognizes a lease liability, which is measured at the present value of the lease payments to be made over the lease term.

Lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option if it is reasonably certain that the Company will exercise that option and payments of termination penalties if the lease term reflects the Company's potential exercise of the termination option. Variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or condition triggering such payments occurs.

The Company uses the incremental borrowing rate on the commencement date to calculate the present value of the lease payments if the interest rate implicit in the lease cannot be readily determined.

After the commencement date, the lease liability is increased to reflect interest accruals and decreased to reflect lease payments made. In addition, the carrying amount of the lease liability is remeasured if there is a modification, a change in the lease term, a change in the substance of the fixed lease payments or a change in the assessment of the option to purchase the underlying asset.

Operational lease

Lease payments under operational leases are expensed on a straight-line basis over the lease term and included in other operational expenses.

Taxation

Corporate income tax is the amount of current and deferred income tax.

Current income tax

The amount of current income tax payable is determined by reference to taxable profit. Taxable profit differs from profit as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other reporting periods and items that are never taxable or deductible. The Company's liability for current income tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilized.

Deferred income tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date and are expected to apply to the period when the tax asset is realized or the liability is settled, respectively.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amount of its assets and liabilities at the reporting date.

Authorized capital

Authorized capital consists of participatory interests net of members' outstanding contributions to the authorized capital. Authorized capital is recognized at historic cost of funds received or paid.



MICROFINANCE ORGANIZATION UNICREDO LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of Kazakhstani tenge)

Recognition of interest income and expenses

Interest income and expense are recognized on an accrual basis using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition. Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss.

If a financial asset or a group of similar financial assets has been written down (partially written down) as a result of impairment, interest income is determined taking into account the interest rate used to discount future cash flows for the purpose of calculating impairment losses. Interest earned on assets measured at fair value is classified as interest income.

Recognition of commission income and expenses

Commissions for microloans issued are reflected as an adjustment of the effective interest rate for microloans.

If it is probable that a microloan agreement will be entered into as a result of a microloan commitment, the fee is included in the loan amount and amortized over the term of the agreement, using the effective interest rate method. Other commissions are included in the statement of profit or loss and other comprehensive income as services are provided by the Company.

The Company's income is:

- income from core activities (interest income from loan transactions, deposits and reverse repo transactions);
- income from non-core activities (income from the disposal of assets, etc.);
- other income.

Expenses include the following:

- interest expenses on borrowings and bonds issued, on repurchase transactions and on lease liabilities;
- administrative expenses;
- other expenses.

Personnel expenses and related contributions

Short-term employee benefits include such items as:

- wages and salaries for work actually performed, calculated on the basis of official salaries;
- payment of regular and additional leaves and compensation for unused vacation;
- additional payments in case of temporary disability in the amounts stipulated by the current legislation;
- salaries at the main place of work for employees during their on-the-job training in the system of advanced training and retraining.

The Company pays salaries to its employees in accordance with the established remuneration systems and makes mandatory contributions to the Unified Accumulative Pension Fund on behalf of its employees in accordance with the pension legislation of the Republic of Kazakhstan.

The Company does not have any pension arrangements other than the state pension program of the Republic of Kazakhstan, which requires the employer to make withholdings of 10% of total salaries. The Company makes social tax and social contributions, compulsory social health insurance for its employees to the relevant authorities of the Republic of Kazakhstan.



MICROFINANCE ORGANIZATION UNICREDO LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of Kazakhstani tenge)

Settlements and transactions with related parties

Parties are generally considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions as defined by IAS 24 Related Party Disclosures. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Events after the reporting date

Events after the reporting date, whether favorable or unfavorable, that occur between the reporting date and the date of approval of the financial statements and have or may have an impact on the Company's financial position, cash flows or results of operations.

Provisions, contingent liabilities and contingent assets

Provisions are liabilities of uncertain timing or amount, they are recognized when:

- as a result of a past event, the Company has an existing obligation (legal or imputed);
- it is probable that some outflow of resources will be needed to fulfill the obligation;
- the amount of the obligation can be reliably estimated.

A contingent liability is an existing obligation that arises from past events, but is not recognized because it is not probable that an outflow of resources will be required to meet the obligation, or the amount of the obligation cannot be reasonably estimated. Contingent liabilities are not recognized, but are disclosed unless the possibility of an outflow of resources is remote.

Contingent assets are not recognized in the financial statements, but are disclosed when an economic benefit is probable.

Significant management assessment areas and sources of assessment uncertainty

The preparation of the Company's financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the period ended. The management evaluates its estimates and judgments on a regular basis, basing its estimates and judgments on historical experience and on various factors that are believed to be reasonable under the circumstances.

The following estimates and judgments are considered important to the presentation of the Company's financial position.

Determination of the lease term in contracts with a renewal option

The Company defines a lease term as a non-cancellable lease period together with periods for which the option to extend the lease, if reasonably certain to be exercised, or periods for which the option to terminate the lease, if reasonably certain not to be exercised, is provided.

Under certain leases, the Company has an option to extend the lease of assets for up to an additional three years. The Company exercises judgment to determine whether it is reasonably certain that it will exercise the renewal option. In doing so, the Company considers all relevant factors that give rise to an economic incentive to exercise the renewal option. After the lease commencement date, the Company reassesses the lease term upon the occurrence of a significant event or change in circumstances that the Company controls and affects its ability to exercise (or not exercise) the renewal option (e.g., a change in business strategy).

Lease – evaluation of the rate of raising additional borrowed funds

The Company cannot readily determine the interest rate implicit in the lease, so it uses the incremental borrowing rate to estimate the lease liability. The incremental borrowing rate is the rate of interest at which the Company could borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in similar economic circumstances for a similar term and with similar security. Therefore, the incremental borrowing rate reflects the interest the Company 'would have to pay' and its determination requires the use of estimates if observable rates are not available or if observable rates must be adjusted to reflect lease terms. The Company determines the incremental borrowing rate using observable inputs (such as market interest rates), if available, and uses certain estimates that are specific to the entity.



MICROFINANCE ORGANIZATION UNICREDO LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of Kazakhstani tenge)

Expected credit losses on financial assets

Estimating impairment losses for all categories of financial assets requires judgment; in particular, the amount and timing of future cash flows and the value of collateral need to be assessed when determining the ECL and estimating a significant increase in credit risk. These estimates are dependent on a number of factors, changes in which could result in varying amounts of estimated provisions for ECLs.

Deterioration in the credit quality of loan portfolios and cash at banks could have a significant impact on the Company's valuation of ECLs. The Company's ECL calculations are the result of complex models involving a number of underlying assumptions regarding the choice of input variables and their interdependencies. Elements of the ECL calculation models that are considered judgments and estimated estimates include the following:

- the criteria used by the Company to assess whether a significant increase in credit risk has occurred, resulting in the valuation allowance against the ECLs on financial assets to be assessed at an amount equal to the full term ECL, and qualitative assessment;
- pooling financial assets into groups when the ECLs on them are assessed on a group basis;
- developing models for calculating ECLs, including various formulas and selection of inputs;
- impact on probability of default (PD), exposure to default (EAD), and loss given default (LGD)

Taxes

There is a risk of additional future tax liabilities as a result of the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. In the normal course of business, there are many transactions and calculations for which the tax amounts cannot be definitively determined. As a result, the Company recognizes its tax liabilities based on estimates of whether additional taxes, penalties and interest will be due.

These tax liabilities are recognized if the Company believes that certain tax return items may be challenged or will not be fully confirmed by examination by the tax authorities, even though the Company believes that the tax return items are properly substantiated. The Company believes that its accrued tax liabilities are correct for all years open for audit, based on an evaluation of many factors, including past experience and interpretations of tax law.

This estimate is based on estimates and assumptions and may involve a series of complex judgments about future events. To the extent the ultimate tax consequences of these matters differ from the amounts presented, such differences will impact the tax expense in the period in which these tax liabilities are assessed.

Assessing the impact of deferred income tax

The Company's management determines the future income tax effect at each reporting date by reconciling the carrying amounts of assets and liabilities in the financial statements to the corresponding tax bases. Deferred assets and liabilities are measured at the tax rates applicable to the period in which the assets are expected to be realized and the liabilities settled. Deferred tax assets are recognized to the extent that it is probable that sufficient taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax assets are measured at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4. RESTATEMENT OF COMPARATIVE INFORMATION

After the end of the reporting period ended December 31, 2022, the Company's management restated certain amounts in the statement of financial position on January 1, 2023. Comparative information has been restated in respect of expected credit losses on cash based on the Company's accounting policy, as well as in respect of deferred tax asset.

The results of the adjustments to the financial statement line items for the year ended December 31, 2022 are presented below.



MICROFINANCE ORGANIZATION UNICREDO LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of Kazakhstani tenge)

Statement of financial position on December 31, 2022

	As shown earlier	Change	Restated
Assets			
Cash and cash equivalents	58 125	(810)	57 315
Deferred tax assets	138 352	(137 975)	377
Total assets	1 528 324	(138 785)	1 389 539
Equity			
Accumulated profit	443 026	(138 785)	304 241
Total equity	597 776	(138 785)	458 991
Total liabilities and equity	1 528 324	(138 785)	1 389 539

During the reporting period, the Company revised the recognition of the discount on the loan to a participant in 2022 and reclassified from interest expense to retained earnings, recording it as other transactions with owners.

All amounts of comparative information in the notes to the financial statements have been changed accordingly.

5. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Cash in current bank accounts in tenge	11 318	37 209
Cash in current bank accounts in foreign currency	259 454	32
Overnight deposits in banks in tenge	249 016	20 884
Expected credit losses	(5 408)	(810)
	514 380	57 315

The change in expected credit losses is summarized as follows:

	2023	2022
At the beginning	810	-
Accrued (Note 18)	4 598	810
Used	-	-
At the end	5 408	810

During 2023, the Company placed cash in the form of short-term deposits (overnight) with second-tier banks at interest rates of 11.5% - 14.75%. Interest income of 18,641 thousand tenge (2022: 3,766 thousand tenge) is recognized in financial income (Note 15).

The cash presented above contains no restrictions on its use and does not act as collateral for any long-term guarantees. The Company believes that the fair value of its cash equals its carrying amount. The cash in the currency is denominated in Kazakhstani tenge.

For purposes of the statement of cash flows, cash and cash equivalents on December 31, 2023 and 2022 were:

	December 31, 2023	December 31, 2022
Cash in current bank accounts in tenge	11 318	37 209
Cash in current bank accounts in foreign currency	259 454	32
Overnight deposits in banks in tenge	249 000	20 884
	519 772	58 125
Reward for reducing deposits	16	-
Expected credit losses	(5 408)	(810)
	514 380	57 315

6. LOANS ISSUED TO CUSTOMERS

The Company provides microloans to individuals for a period of 10 to 30 days. The interest rate is from 15% to 30% for the term of the loan.



MICROFINANCE ORGANIZATION UNICREDO LLP

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
DECEMBER 31, 2023**

(in thousands of Kazakhstani tenge)

Gross carrying amount	Stage 1	Stage 2	Stage 3	Total
On January 1, 2022	137 669	33 995	-	171 664
New assets created	2 803 324	-	-	2 803 324
Assets repaid	(1 808 531)	(798)	-	(1 809 329)
Net change in accrued interest	669 393	(6)	-	669 387
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(709 026)	709 026	-	-
Transfer to Stage 3	(334 250)	(33 255)	367 505	-
Write-off	-	-	(53 830)	(53 830)
On December 31, 2022	758 579	708 962	313 675	1 781 216

Expected credit losses	Stage 1	Stage 2	Stage 3	Total
On January 1, 2022	-	(666)	-	(666)
New assets created	(596 502)	-	-	(596 502)
Assets repaid	-	-	-	-
Net change in accrued interest	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	358 451	(358 451)	-	-
Transfer to Stage 3	171 449	33 328	(204 777)	-
Changes in the models and inputs used to evaluate ECLs	(63 607)	(33 152)	(49 777)	(146 536)
Write-off	-	-	53 830	53 830
On December 31, 2022	(130 209)	(358 941)	(200 4)	(689 874)

7. OTHER RECEIVABLES

	December 31, 2023	December 31, 2022
Other receivables from related parties <i>(Note 21)</i>	85 308	84 908
Short-term receivables from accountable persons	156 139	37 036
Short-term receivables from payment providers	28 041	16 642
Other receivables	-	400
	269 488	138 986

8. LOANS ISSUED

	December 31, 2023	December 31, 2022
Long-term loan issued to the member	91 800	91 800
Discount recognition <i>(Note 4)</i>	(35 473)	(41 882)
Amortization of discount <i>(Note 15)</i>	12 684	6 409
Accrued interest	147	55
	69 158	56 382

The Company issued two long-term loans in the reporting period for the total amount of 91,800 thousand tenge to one of the members of the Company for up to 3 years with the condition of repayment in a single payment at the end of the term and interest rate of 0.1% per annum in 2022. In these financial statements loans are presented at discounted value, discount rates of 21.2% and 19.85%. The unwinding of the discount is included in interest expense *(Note 16)*.



MICROFINANCE ORGANIZATION UNICREDO LLP

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
DECEMBER 31, 2023**

(in thousands of Kazakhstani tenge)

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	Right-of-use assets (office)	Lease liabilities
On January 1, 2023	15 585	17 284
Recognition of right-of-use asset	5 912	-
Depreciation charge (Note 17)	(8 941)	-
Interest accrual (Note 16)	-	3 091
Payments	-	(4 770)
Derecognition of right-of-use asset	(1 997)	(213)
On December 31, 2023	10 559	15 392
	Right-of-use assets (office)	Lease liabilities
On January 1, 2022	-	-
Recognition of right-of-use asset	19 171	19 171
Depreciation charge (Note 17)	(3 586)	-
Interest accrual (Note 16)	-	1 295
Payments	-	(3 182)
On December 31, 2022	15 585	17 284

The lease liabilities are as follows:

	December 31, 2023	December 31, 2022
Short-term liabilities	10 585	7 056
Long-term liabilities	4 807	10 228
	15 392	17 284

10. OTHER ASSETS

	December 31, 2023	December 31, 2022
Short-term advances paid	96 003	15 143
Short-term advances paid to related parties (note 21)	123 557	-
Social tax	178	1 051
Raw materials and other materials	522	1 037
Other taxes and obligatory payments to the budget	183	245
Compulsory social contributions	433	433
Deferred expenses	427	587
	221 303	18 496

11. DEBT SECURITIES ISSUED

	ISIN	Date of the beginning of circulation	Date of the end of circulation	Coupon rate, %	2023	2022
First issue of non-government bonds, denominated in US dollars*	KZ2P00008071	08.11.2021	08.11.2023	6	-	805 580
First issue of non-government bonds, denominated in tenge*	KZ2P00009103	31.03.2023	31.03.2025	20	595 154	-
Bonds with a maturity of not more than 12 (twelve) months, denominated in US dollars*	KZ2P00009343	21.02.2023	21.02.2024	9	918 311	-
First issue of non-government bonds within the second bond program denominated in US dollars*	KZ2P00009988	02.10.2023	02.10.2025	10	328 673	-
Bonds with a maturity of not more than 12 (twelve) months, denominated in US dollars*	KZ2P00010408			10		

1 842 138 805 580ord



MICROFINANCE ORGANIZATION UNICREDO LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
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(in thousands of Kazakhstani tenge)

* Listed on the Kazakhstan Stock Exchange

Changes in debt securities issued

Reconciliation of cash flows from financing activities

	Debt securities issued	Total
Balance on January 1, 2023	805 580	805 580
Changes in cash flows from financing activities		
Receipts from issuance of debt securities.	1 969 879	1 969 879
Repayment	(936 260)	(936 260)
Total changes in cash flows from financing activities	1 839 199	1 839 199
Effect of changes in foreign currency exchange rates	(7 142)	(7 142)
Interest expense	135 767	135 767
Interest paid	(125 686)	(125 686)
Balance on December 31, 2023	1 842 138	1 842 138

Changes in debt securities issued

Reconciliation of cash flows from financing activities

	Debt securities issued	Total
Balance on January 1, 2022	690 258	690 258
Changes in cash flows from financing activities		
Receipts from issuance of debt securities.	219 299	219 299
Repayment	(154 808)	(154 808)
Total changes in cash flows from financing activities	754 749	754 749
Effect of changes in foreign currency exchange rates	54 145	54 144
Interest expense	47 132	47 132
Interest paid	(50 446)	(50 445)
Balance on December 31, 2022	805 580	805 580

Changes in liabilities due to financing activities on December 31, 2023:

	January 1, 2023	Cash flows - received	Accrued	Cash flows - repaid	Other non- cash transactions	December 31, 2023
Bonds placed	798 475	1 940 904	-	(936 260)	(7 016)	1 796 103
Interest on bonds placed	7 105	28 975	135 767	(125 686)	(126)	46 035
	805 580	1 969 879	135 767	(1 061 946)	(7 142)	1 842 138

Changes in liabilities due to financing activities on December 31, 2022:

	January 1, 2022	Cash flows - received	Accrued	Cash flows - repaid	Other non- cash transactions	December 31, 2022
Bonds placed	684 278	215 443	-	(154 808)	53 562	798 475
Interest on bonds placed	5 980	3 856	47 132	(50 446)	583	7 105
	690 258	219 299	47 132	(205 254)	54 145	805 580



MICROFINANCE ORGANIZATION UNICREDO LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of Kazakhstani tenge)

12. SHORT-TERM PAYABLES

	December 31, 2023	December 31, 2022
Short-term payables to suppliers and contractors	4 495	5 981
Short-term payables to suppliers and contractors (individuals)	-	212
	4 495	6 193

13. OTHER LIABILITIES

	December 31, 2023	December 31, 2022
Estimated liabilities	10 506	3 669
Current tax liabilities	4	3 932
Liabilities from other obligatory payments	2 611	3 048
Short-term salary payables	426	405
Other short-term payables	5 234	-
	18 781	11 054

The movements in the provision for unused vacation for the years ended December 31 were as follows:

	2023	2022
At the beginning	3 669	310
Accrued (Note 17)	6 837	3 359
Used	-	-
At the end	10 506	3 669

14. AUTHORIZED CAPITAL

The amount of the Company's authorized and paid-in capital is 200,000 thousand tenge as on December 31, 2023 (in 2022: 100,000 thousand tenge). The authorized capital was increased by the member in the amount of 100,000 thousand tenge for the year ended December 31, 2023 which resulted in reallocation of interests in the Company. Information on the structure of members of the Company is presented in (Note 1).

No dividends were distributed in 2023 and 2022.

15. INTEREST INCOME

	2023	2022
Interest on loans	732 076	677 767
Interest on overdue loans	386 970	955 881
Reverse repurchase agreements	230	13 155
Amortization of discount on loans issued (Note 8)	12 684	6 409
Interest on deposits (Note 5)	18 641	3 766
Other financial income	1 444	-
	1 152 045	1 656 978

16. INTEREST EXPENSES

	2023	2022
Interest on bonds issued	136 582	47 132
Interest on lease liabilities (Note 9)	3 091	1 295
Direct repurchase agreements	-	1 164
Amortization of discount on loans received	9	17
Amortization of discount on bonds	17 407	3 878
Other interest expense	3 533	-
	160 622	53 486



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
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(in thousands of Kazakhstani tenge)

17. ADMINISTRATIVE EXPENSES

	2023	2022
IT services	296 809	20 104
Salary expenses	209 025	95 678
Professional services	96 083	54 688
Payment processing services	84 068	75 525
Advertising and marketing services	67 949	102 056
Portfolio unloading	36 025	-
Salary contributions	21 443	10 191
Personnel training	21 165	2 899
Other expenses	13 188	1 526
Office supplies	9 012	2 027
Amortization of right-of-use assets (Note 9)	8 941	3 586
Provision for vacation leave (Note 13)	6 837	3 359
Travel expenses	4 302	-
Bank charges	3 353	7 558
Communication and courier services	3 099	771
Membership fees and subscriptions	2 327	6 699
Brokerage services	2 237	897
Depreciation and amortization	2 175	370
Repairs and maintenance	422	2 422
	888 460	390 356

18. OTHER EXPENSES, NET

	2023	2022
Income from exchange rate differences	220 086	136 245
Income from recovery of loan provisions (Note 6)	150 685	-
Income from amount differences	2 108	937
Income from erroneous payments	-	2 261
Other income	3 111	-
Other income	375 990	139 443
Expenses from exchange rate differences	(210 963)	(192 396)
Expected credit losses on loans issued to customers (Note 6)	(231 615)	(743 038)
Expenses from write-off of remuneration debts	(4 598)	-
Expenses from amount differences	(1 691)	(1 764)
Expenses from erroneous payments	-	(2 599)
Other expenses	(200)	-
Other expenses	(449 067)	(939 797)
Total other income / (expenses) net	(73 077)	(800 354)

19. CORPORATE INCOME TAX SAVING / (EXPENSE)

	2023	2022
Current income tax for the year	(46 286)	(91 002)
Deferred income tax for the reporting period	(569)	138 298
Income tax saving/ (expense)	(46 855)	47 296

The reconciliation of income tax expense calculated from accounting profit before income taxes at the statutory income tax rate of 20% to income tax expense is as follows for the years ended December 31:

	2023	2022
Profit/(loss) before tax	29 886	412 782
Tax rate	20%	20%
Estimated amount of tax	(5 977)	(82 556)
Tax effect of expenses not deductible and income not deductible		
Expenses not related to obtaining taxable income	(40 878)	129 852
Income tax saving/ (expense)	(46 855)	47 296



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
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On December 31, 2022	Within 12 months	More than 12 months	Total
Assets			
Cash and cash equivalents	57 315	-	57 315
Loans issued to customers	1 091 342	-	1 091 342
Other receivables	132 102	6 884	138 986
Loans issued	-	56 382	56 382
Right-of-use assets	-	15 585	15 585
Property, plant and equipment and intangible assets	-	11 056	11 056
Deferred tax assets	-	377	377
Other assets	18 496	-	18 496
Total assets	1 299 255	90 284	1 389 539
Liabilities			
Debt securities issued	805 580	-	805 580
Liabilities for corporate income taxes	90 437	-	90 437
Liabilities under lease agreements	7 056	10 228	17 284
Short-term payables	6 193	-	6 193
Other liabilities	11 054	-	11 054
Total liabilities	920 320	10 228	930 548
Net position	378 935	80 056	458 991

21. TRANSACTIONS WITH RELATED PARTIES

In accordance with IAS 24 Related Party Disclosures, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

Related parties include key management personnel of the Company, the Members of the Company, other companies under the common control of the Members.

The nature of the related party relationships with those related parties with whom the Company entered into significant transactions or had material outstanding balances on the transactions are summarized as follows:

	December 31, 2023		December 31, 2022	
	Members	Other related parties	Members	Other related parties
Balances on transactions with related parties on:				
Loans issued (Note 8)	69 158	-	56 382	-
Other receivables (Note 7)	3 534	81 774	3 534	81 374
Short-term advances paid to related parties (note 10)	-	123 557	-	-
Short-term payables	-	-	-	(221)
Income/(expenses) with related parties for the year ended:				
Financial expenses (discount) (Note 8)	(22 789)	-	(35 473)	-
Accrued interest on loans (Note 8)	92	-	55	-



MICROFINANCE ORGANIZATION UNICREDO LLP

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Remuneration to management personnel

Key management personnel consist of one person - General Director on December 31, 2023 and 2022. Remuneration to key management personnel includes current payments and taxes paid by the Company on behalf of the employee. Remuneration to key management personnel for the year ended December 31, 2023 and December 31, 2022 is as follows:

	2023	2022
Remuneration to management	22 107	14 911
Taxes on wages and salaries	2 126	1 462
	24 233	16 373

22. FINANCIAL RISK MANAGEMENT

The Company is exposed to all currently available risks associated with its operations in the Republic of Kazakhstan. The Company is exposed to market, credit and liquidity risks.

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in future market prices. Market prices include the following risks: interest rate risk, currency risk.

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to this risk because it has liabilities on outstanding coupon bonds in foreign currencies.

	Tenge	US dollar	Russian ruble	Total on December 31, 2023
FINANCIAL ASSETS				
Cash and cash equivalents	257 521	256 859	-	514 380
Loans issued to customers	1 365 456	-	-	1 365 511
Other receivables	269 488	-	-	269 488
Loans issued	69 158	-	-	69 103
	1 961 623	256 859	-	2 218 482
FINANCIAL LIABILITIES				
Short-term payables	(4 495)	-	-	(4 495)
Liabilities under lease agreements	(15 392)	-	-	(15 392)
Debt securities issued	(595 155)	(1 246 983)	-	(1 842 138)
	(615 042)	(1 246 983)	-	(1 862 025)
Net position	1 346 581	(990 124)	-	356 457

	Tenge	US dollar	Russian ruble	Total on December 31, 2022
FINANCIAL ASSETS				
Cash and cash equivalents	57 284	31	-	57 315
Loans issued to customers	1 091 342	-	-	1 091 342
Other receivables	138 986	-	-	138 986
Loans issued	56 382	-	-	56 382
	1 343 994	31	-	1 344 025
FINANCIAL LIABILITIES				
Short-term payables	(3 903)	-	(2 290)	(6 193)
Liabilities under lease agreements	(17 284)	-	-	(17 284)
Debt securities issued	-	(805 580)	-	(805 580)
	(21 187)	(805 580)	(2 290)	(829 057)
Net position	1 322 807	(805 549)	(2 290)	514 968



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
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	Increase/(decrease) of the exchange rate	Impact on profit before tax
On December 31, 2023		
US dollar	20%	(198 025)
	-20%	198 025
On December 31, 2022		
US dollar	20%	(161 110)
	-20%	161 110
Russian ruble	20%	(458)
	-20%	458

Credit risk

Credit risk is the risk that the Company will incur a financial loss because a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of financial assets represents the maximum amount exposed to credit risk of the Company. The Company has no significant concentrations of credit risk.

	Note	December 31, 2023	December 31, 2022
Cash and cash equivalents	5	514 380	57 315
Loans issued to customers	6	1 365 456	1 091 342
Other receivables	7	269 488	138 986
Loans issued	8	69 158	56 382
		2 218 482	1 344 025

The Company places funds with Kazakhstani banks (Note 5). The Company's management reviews credit ratings of these banks periodically to eliminate extraordinary credit risks.

The following table shows the amounts of cash and deposits with banks at the reporting date using the credit ratings of Fitch Ratings, S&P and Moody's.

Bank	Location	Rating			
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Halyk Bank of Kazakhstan JSC	Kazakhstan	BBB / Positive	BB+/ Stable	504 145	46 204
Bank CenterCredit JSC	Kazakhstan	BB / Positive	B+/ Stable	8 541	11 014
First Heartland Jusan Bank JSC	Kazakhstan	BB- / Positive	B1/ Positive	92	97
Bereke Bank JSC	Kazakhstan	BB / Stable	no rating	1 602	-
				514 380	57 315

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company monitors its liquidity needs on a regular basis and management ensures that sufficient cash is available to meet any upcoming liabilities. The ultimate responsibility for managing liquidity risk rests with the Company's management.

The table below summarizes the Company's financial liabilities at December 31, 2023 and 2022 based on contractual obligations by maturity of those liabilities.

FINANCIAL ASSETS	On demand	Less than 3 months	3-12 months	Over a year	Total for 2023
Cash and cash equivalents	514 380	-	-	-	514 380
Loans issued to customers	-	1 365 456	-	-	1 365 456
Other receivables	-	28 041	152 789	88 658	269 488
Loans issued	-	-	-	69 158	69 158
	514 380	1 393 497	152 789	157 816	2 218 482



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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FINANCIAL LIABILITIES

Debt securities issued	-	918 311	-	923 827	1 842 138
Liabilities under lease agreements	-	-	10 585	4 807	15 392
Short-term payables	-	-	4 495	-	4 495
	-	918 311	15 080	928 634	1 862 025
Net position	514 380	475 186	137 709	(770 818)	356 457

FINANCIAL ASSETS	On demand	Less than 3 months	3-12 months	Over a year	Total for 2022
Cash and cash equivalents	57 315	-	-	-	57 315
Loans issued to customers	-	1 091 342	-	-	1 091 342
Other receivables	-	16 642	115 460	6 884	138 986
Loans issued	-	-	-	56 382	56 382
	57 315	1 107 984	115 460	63 266	1 344 025

FINANCIAL LIABILITIES	On demand	Less than 3 months	3-12 months	Over a year	Total for 2022
Debt securities issued	-	-	805 580	-	805 580
Liabilities under lease agreements	-	-	7 056	10 228	17 284
Short-term payables	-	-	6 193	-	6 193
	-	-	818 829	10 228	829 057
Net position	57 315	1 107 984	(703 369)	53 038	514 968

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company determines the fair values of assets and liabilities recorded on the statement of financial position using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted prices (unadjusted) in an active market for an identical instrument;
- Level 2: Valuation techniques based on inputs from observable markets that are either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices for identical or similar instruments in active markets; quoted market prices for identical or similar instruments in markets that are considered less than active; or using other valuation techniques where all significant inputs are directly or indirectly observable from market data;
- Level 3: Valuation techniques using significant observable inputs. This category includes all instruments where valuation techniques include inputs not based on observable markets and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company's management believes that the fair value of financial assets and liabilities approximates their carrying amounts and represents the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following table analyses financial instruments measured at fair value on December 31, 2023 and 2022, by the level in the fair value hierarchy into which the fair value measurement is categorized:

	Level 1	Level 2	Level 3	Total for 2023
Assets, the fair value of which is disclosed				
Cash and cash equivalents	-	514 380	-	514 380
Loans issued to customers	-	1 365 456	-	1 365 456
Other receivables	-	269 488	-	269 488
Loans issued	-	69 158	-	69 158
Total assets	-	2 218 482	-	2 218 482
Liabilities, the fair value of which is disclosed				
Debt securities issued	-	1 842 138	-	1 842 138
Liabilities under lease agreements	-	15 392	-	15 392
Short-term payables	-	4 495	-	4 495
Total liabilities	-	1 862 025	-	1 862 025



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The Company actively manages its capital adequacy to protect against risks inherent in its operations. The adequacy of the Company's capital is monitored using, among other measures, the ratios established by the authorized body in supervising the Company's activities.

The Company was in compliance with all externally imposed regulatory capital requirements on December 31, 2023 and 2022.

The primary objective of capital management for the Company is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize the return to the Member.

The NBRK requires microfinance institutions to maintain a Tier 1 capital ratio of at least 10% of assets. The Company's capital adequacy ratio under the NBRK's methodology exceeded the required minimum on December 31, 2023 and 2022.

The Company's capital adequacy ratio calculated in accordance with the NBRK requirements on December 31 is as follows:

The NBRK requires microfinance institutions to maintain a Tier 1 capital adequacy ratio (k1) of not less than 0.1, a maximum risk per borrower (k2) of not more than 0.25, and a leverage ratio of not more than 10.

The capital ratios on December 31, 2023 and 2022 were k1, 0.1 and 0.1; k2, 0.000 and 0.000; and k3, 3.551 and 2.027, respectively.

