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## Kaspi.kz (KSPI): The NASDAQ-Listed Fintech Moving Money for Criminals and Kleptocrats

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*“Our business does not have any exposure to Russia or Russian businesses.”*

– Kaspi SEC Registration Statements, 2023 Annual Report

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We are short Kaspi, the operator of the largest payment network and second largest bank in Kazakhstan. We believe Kaspi has systematically misled U.S. investors and regulators in its repeated claims – especially ahead of the Company’s January 2024 NASDAQ listing – that the Company has zero exposure to Russia. Our research exposes this grave deception: we believe that not only do Kaspi’s relationships with Russian partners permeate every segment of its business, but that in the wake of Russia’s February 2022 invasion of Ukraine and into 2024, Russia has contributed materially to Kaspi’s reported growth. Our research further unmasks Kaspi’s history of shadowy dealmaking, which raises not only related party and self-dealing concerns, but also exposes the Company’s vast, longstanding ties to bad actors including sanctioned oligarchs and Russian mobsters. We believe Kaspi’s premium valuation and US listing are at risk, and shares are headed lower.

In the aftermath of Western sanctions on Russian banks following Russia’s February 2022 invasion of Ukraine, millions of Russians fled to neighboring Kazakhstan to open bank accounts and payment cards issued by non-sanctioned banks. Our review of various Russian forums suggests Kaspi has been their bank of choice. Russians refer to Kaspi, for example, as “the only bank that issues cards to Russians”, citing their ability to get a “card in 10 minutes” as Kaspi reps are “already trained on Russian clients.” Others refer to Kaspi as “a miracle” after sanctions levied against Russian banks. One new Kaspi accountholder complained of long lines at the bank as “we got into a large wave of people coming from Russia” while another complains of wait times on account of “the period of excitement for receiving bank cards and accounts in 2022.” Kaspi’s official account even replies to these reviews to thank “our beloved customers” and to instruct Russian clients on how to exchange their rubles.

Kaspi doesn’t disclose what portion of its MAUs, deposits, or payment volumes are Russian or non-resident, instead avoiding the question entirely by boldly claiming that it has zero exposure to Russia. However, Kazakhstan central bank data reveals that from year-end 2021 (i.e., pre-war) through Q2 2024, non-resident deposits in Kazakh banks skyrocketed 338% to 3.3 trillion tenge, and now to 3.9 trillion as of the end of August. We believe that Kaspi has been responsible for a significant share of this growth. If 50% of non-resident deposits went to Kaspi accounts, then 29% of Kaspi’s deposits and nearly half of the Company’s growth since the start of 2022 can be explained by non-residents. Nationwide, non-resident deposit liabilities continue to grow, suggesting to us that Kaspi continues to benefit from Russian inflows.

Kaspi claims it doesn’t work with sanctioned Russian banks, but Russians consistently cite their ability to move money through Kaspi’s correspondent account at Raiffeisenbank. As an Austrian bank with an arm in Moscow, Raiffeisen initially eluded sanctions, but is now subject to investigations from both the US’s OFAC and Austrian regulators related to potential money laundering violations. Nevertheless, Kaspi continues to hold a Moscow-based account at Raiffeisen, and we found Kaspi customer service reps instructing Russian accountholders on how to send rubles to Kaspi, as recent as June 2024.

Then there’s the smoking gun. In April 2024, Kairat Satybaldy – former 30% shareholder of Kaspi, a confessed criminal, the nephew of scorned dictator Nazarbayev, and the founder of Iran-backed Muslim political movement Ak-Orda – **pled guilty to laundering hundreds of millions of dollars of criminal proceeds through multiple Kaspi bank accounts, then using the funds to purchase properties in Russia.** This guilty plea in our view raises not only questions about Kaspi’s shareholder list, but about US listing standards for KSPI shares.

As the US and other nations continue to broaden sanctions against those found to be aiding Russia's wartime economy, we believe Kaspi now risks secondary sanctions. In 2024 alone, three of Russia's most popular money transfer avenues – QIWI, Golden Crown, and the Mir Card – have been shut out by regulators or sanctions, while in July 2024, Kaspi conspicuously amended its partner service agreement for the first time in 4 years. The agreement now specifies that the Company can suspend operations of those found to be directly or indirectly under sanctions, while explicitly citing the Kazakh government's crackdown on "the laundering of proceeds from crime and the financing of terrorism."

Kaspi's exposure to Russia isn't merely in its banking and payments businesses but its marketplace too, which remains open season for Russian buyers, sellers, and suppliers. We found Russian language Telegram groups where marketplace sellers share tips on how to, for example, find Russian suppliers, ship orders to Russia, and pay Russian invoices using Kaspi Pay. We found a Russian business marketing their goods on Kaspi and advising payment through Russia's sanctioned VTB Bank. Finally, we found listings for high-end goods including jewelry of Russian origin.

Our report further details several additional deals that Kaspi has made with Russian businesses, again in direct contradiction to the Company's assurances made in SEC filings.

- In May 2024, Kaspi formed an agreement to integrate Kaspi QR Pay with Smartix, a Russian self-checkout operator. However, Kaspi looks to have hidden this deal from US investors – the Company never issued a press release or disclosed the deal, even as Kaspi issued a press release for what appears to be a very similar deal with AliPay+ made less than a month earlier.
- In 2021, Kaspi launched its "Postomat" automated parcel machines ("APMs"). Kaspi now has over 6,000 of these machines, which the Company touts as "a competitive advantage" and are now responsible for delivering of over 50% of e-commerce orders. However, we uncovered the supplier of these machines is again a Russian company, Techline, which proudly touts the machines as manufactured in Novosibirsk.
- Kaspi also partners with Russia-based Yandex.Taxi for marketplace and grocery deliveries, according to a former Kaspi employee. In 2022, Estonia banned Yandex.Taxi and encouraged others to do the same, citing concerns that user data is shared with the Kremlin.
- Finally, Kaspi even uses a Russian PR agency, Contextual Technologies, the same PR agency that represents numerous Kremlin/state-backed groups such as the Bank of Russia. It's unclear to us how or why Kaspi couldn't find a similar Kazakh PR agency to do the trick.

Our research into Kaspi's M&A exposes not only a pattern of self-dealing, but the Company's myriad ties to bad actors. Kaspi is regarded by US investors as a high quality operation, yet the Company's proclivity for self-enrichment and choice of partners and continually demonstrates the opposite.

- Kaspi's LSE listing was prefaced with a series of transactions between Chairman Kim and the aforementioned former 30% shareholder Kairat Satybaldy that resulted in Satybaldy's ultimate removal from the Company's shareholder roster. In our view, these transactions appear like they were designed primarily to hide Satybaldy's involvement in order to make Kaspi's London IPO more palatable to investors. We see Kaspi as employing a similar tactic when choosing not to disclose the true extent of its exposure to Russia ahead of its 2024 US IPO.
- In February 2023, Kaspi formed a \$155 million joint venture with Magnum Cash & Carry, one of Kazakhstan's largest supermarket chains with ties to Kenes Rakishev, the founder of now collapsed Net Element (NETE) and a former business partner of Hunter Biden. Kaspi discloses that Chairman Kim

holds a controlling stake in Magnum, yet Magnum's minority owners remain undisclosed, raising questions of who might still remain lurking behind the scenes. Russian language filings also reveal that Chairman Kim's daughter is affiliated with the venture, despite her name never appearing in SEC filings, again raising related party disclosure concerns.

- In October 2021, Kaspi acquired Portmone, a Ukraine-based online payments group that Kaspi disclosed was not even considered an operating business at the time. Our review of Ukrainian and Cypriot filings reveals Portmone's administrator as Pampina Votsi of the infamous Vassiliades & Co – a longstanding front for Russian mobsters and sanctioned oligarchs, including, for example, one oligarch responsible for “weapons trafficking, contract murders, extortion, drug trafficking, and prostitution on an international scale” according his FBI most wanted poster. In August 2023, the Vassiliades network was placed on US and UK sanctions lists, and in October 2023, Russia reportedly issued an arrest warrant for Vassiliades on allegations of “large scale money laundering.” As mentioned, Portmone was effectively a shell, but intended to partner with Ukraine's Concordbank to develop a mobile POS system. Yet these plans fell through, as in August 2023, the National Bank of Ukraine revoked Concord's banking license and liquidated the bank after previously accusing the bank for “failing to take adequate countermeasures to prevent money laundering and terrorist financing.” Today, Kaspi still says it hopes to launch products in Ukraine “when the geopolitical situation stabilizes.”
- In December 2019, Kaspi acquired 3 classified ads websites from its CEO Mikheil Lomtadze, framing the acquisition as an expansion of its addressable market into Azerbaijan. However, our review of Estonian and BVI corporate records suggests Lomtadze “flipped” these websites to Kaspi at a wildly inflated mark-up, while today, Kaspi's Azerbaijan revenues remain de minimis at just 0.2% of 2023 revenues. Both deals exemplify the difficulty that Kaspi has faced when trying to expand outside Kazakhstan, where the Company lacks the cozy relationship it had with Nazarbayev's kleptocracy.
- Finally in 2015, Kaspi Chairman Vyacheslav Kim acquired ALSECO JSC, a digital payments platform that claims to work with Kaspi and at least 8 other banks to allow users to pay multiple bills in a single interface. Kaspi Deputy Chairman Yuri Didenko is also reported to have been chairman of Alseco, and yet despite these multiple apparent entanglements, Kaspi once again never discloses Alseco in its SEC filings. Moreover, our research shows Kim acquired Alseco from Kairat Boranbayev and a secretive Swiss entity, Global Conformity AG. For his part, Boranbayev was considered a part of Nazarbayev's inner circle, and in March 2023 was sentenced to 8 years in prison for his embezzlement of public sector funds. Global Conformity's ultimate beneficiaries aren't disclosed in filings, in contravention of IAS standards.

Notwithstanding these concerns, we think Kaspi is wildly overvalued. US-based investors cite the Company's seemingly low multiple of 11x earnings, but ignore that Kaspi's closest competitor in Kazakhstan, Halyk Bank, trades at just 3x earnings, a reflection of the brutal realities of operating in the region. Kazakhstan has a GDP per capita of just over \$13,000, rampant inflation as high as 21% in 2023, federal rates of over 14%, and an economy subject to commodity shocks. Kaspi also stands out versus other “Super App” companies, valued at \$1,843 per user as compared to Poland's Allegro (ALE WA) at \$514 per user, Brazil's Mercado Libre (MELI US) at \$479 per user, or WeChat/Tencent (0700 HK) at \$446 per user. We are short Kaspi and think shares are headed lower.

## Introduction to Kaspi: Payments, Marketplace, and Fintech

Kaspi's founding traces back to 2002, when Co-Founder and current Chairman Vyacheslav Kim purchased the recently privatized Bank Kapiksy amid the dissolution of the Soviet Union. In 2006, one of Russia's leading private equity groups Baring Vostok invested in the bank, and in 2008, it was renamed Bank Caspian ("Bank Kaspisky"). Kaspi has now grown to become the largest payment network and second-largest bank in Kazakhstan behind Halyk Bank, operating primarily through its "Super App." At 14.2 million monthly active users ("MAUs") as of Q2 2024, the vast majority of Kazakhstan's 14.5 million [population](#) aged 14 or older uses the app, primarily for QR and card payments (used by 92% of MAUs) and bill payments (used by 83% of MAUs).<sup>1</sup>

Kaspi currently reports in three segments: Payments (23% of Q2 2024 revenues), Marketplace (28% of Q2 2024 revenues), and Fintech (51% of Q2 2024 revenues).

In May 2018, Kaspi floated its shares on the Kazakhstan Stock Exchange, in October 2020 on the London Stock Exchange, and in January 2024 on the US's NASDAQ. Kaspi CEO Mikheil Lomtadze [cited](#) "access to a wider pool of investors and another level of recognition" as the rationale for the NASDAQ listing.

## Kaspi Claims No Exposure to "Russia or Russian Businesses" – Obvious Nonsense

Kaspi's US IPO [prospectuses](#) and annual report claim that the Company has no exposure to Russia or Russian businesses, as shown below:

International geopolitical tensions may also impact our business and operations. The Russian invasion of Ukraine has led to disruptions in economic and business activity in Europe and elsewhere, although to date changes in the operating environment caused by the geopolitical situation have had an insignificant and limited impact on our operations. We have limited exposure to Ukraine mostly through our subsidiary, Portmone Group, which represented 0.1% of our total assets as of December 31, 2023 and 0.05% of our net income for the year ended December 31, 2023. Portmone Group continues to operate in the normal course of its business. Our business does not have any exposure to Russia or Russian businesses.

Russia has also never been mentioned in any of the Company's 7 conference calls since Kaspi's January 2024 IPO. Even as war rages on and Kazakhstan shares a 7,000 km border with Russia, investors remain blissfully ignorant of Kaspi's reliance on Russia throughout numerous aspects of its business. We believe:

- Kaspi, as a bank and card issuer, saw meaningful growth from Russian "card tourists" and immigrants in the wake of Russia's February 2022 invasion of Ukraine – growth that continues today.
- Kaspi's marketplace remains open to Russian buyers, sellers, and suppliers, who we believe make up a meaningful portion of this marketplace.
- Kaspi relies meaningfully on Russia-based partners throughout many aspects of its business, spanning Russian self-checkout payment operators, last-mile delivery, and even public relations.

We believe Kaspi's US IPO would have taken a substantially different tone – if it had been tenable at all – if the Company had properly disclosed the true extent of its business with Russia. We further believe the ongoing nature of Kaspi's business ties to Russia present a material risk, especially as sanctions continue to mount against those found to be aiding Russia's wartime economy.

<sup>1</sup> See 2023 annual report and presentation.

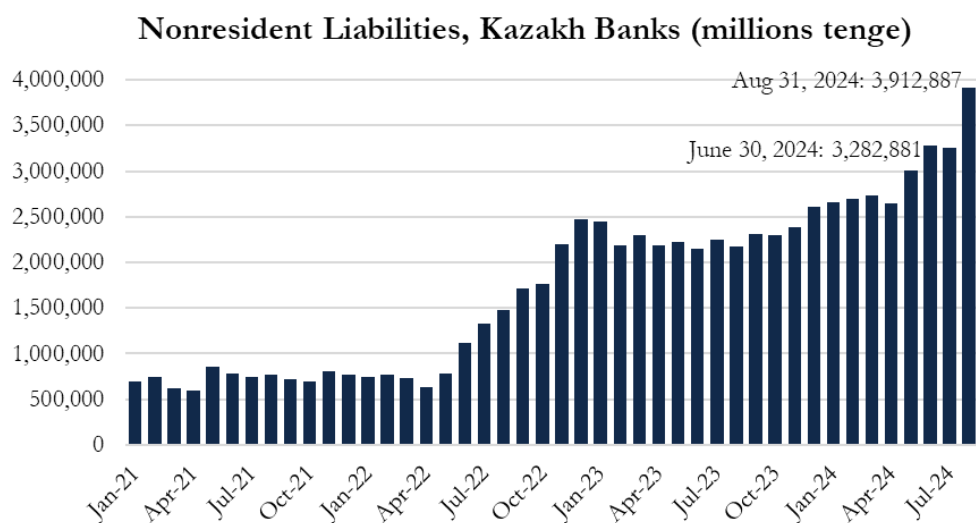
## We Believe Kaspi Bank Saw Meaningful Growth From Russia in Wake of Sanctions

### Background: Russia Attacks Ukraine, Sanctions Follow, and Russians Flee to Kaspi

In February 2022, Russia invaded Ukraine in the largest escalation of conflict between the two nations since 2014. Sanctions against Russia followed from nations around the world, including the US, leading millions of Russians [to flee](#) to neighboring countries, including Kazakhstan, to open international bank accounts and payment cards, hence avoiding the impact of sanctions. Observers even dubbed this behavior “[card tourism](#)” and travel agencies offer packages catered to this newfound client base. The Central Bank of Kazakhstan noted in its [2022 financial stability report](#) that over 50% of total new cards issued in Kazakhstan in the year were issued in the months of June and July (amid escalating sanctions), which the central bank said “*may be associated with the phenomenon of ‘card tourism’ caused by demand from Russian citizens.*” The report further called out “*the increase in supply and demand [for rubles] on the part of Russian and Belarusian citizens who opened accounts at Kazakh banks in 2022*” and even noted that **non-residents share of current and card accounts over 6x’ed from 3.4% to 21.3%**. Moreover, numerous groups have called out the sanctions evasion and criminal activity that has resulted.

- In August 2023, the UK-based Serious Organized Crime (“SOC”) program published a paper entitled “[Under the Radar](#)” that stated: “*Kazakhstan’s businesses exported sanctioned brands to Russia, while Russian firms have used Kazakhstan to camouflage exports... Russian consumers travel to Kazakhstan to purchase sanctioned goods... Car dealerships in Kazakhstan were also likely to issue discounted car loans to buyers from Russia...*”
- In October 2023, the National Bank of Kazakhstan [proposed legislation](#) to restrict debit card tourism, but the act appears to have never been taken up as it remains open. Kazakh news agencies at the time noted that the legislation was intended to curb, “*the use of cards issued to foreigners in the interests of drug trafficking and gambling. According to the National Bank of the Republic of Kazakhstan, non-residents issue cards online or on the basis of a one-time visit to our country, and then sell them to criminals.*”
- Finally, a [February 2024 report](#) from the Organized Crime and Corruption Reporting Project (OCCRP) detailed the ways in which goods have continued to make their way to Russia through networks of Kazakh and Belarusian entities, creating “*a severe hole in the sanctions net.*”

Nevertheless, monthly [survey data](#) provided by the Kazakh central bank shows that non-resident’s share of Kazakh bank deposits have not only skyrocketed throughout 2022, but continue to grow throughout 2024:



We believe a substantial portion of these deposits owe to Kaspi. Consider that while other Kazakh banks sought to limit Russian inflows, Kaspi welcomed them. For example, Halyk Bank – the largest bank in Kazakhstan at over twice Kaspi’s size, by assets – [divested](#) its Russian subsidiary Moskommertsbank and took a \$41 million loss on the sale. The bank also curbed its exposure at the client level. According to a June 2023 [interview](#) with Halyk CEO Umut Shayakhmetova:

*“We actually switched to a manual review of certain currency contracts and international payments... we are explicitly demanding towards our clients; we do not compromise our extensive business in Kazakhstan because we cannot afford to lose our reputation.”*



See similar comments reiterated by Deputy CEO Murat Koshnev on Halyk’s Q4 2023 [conference call](#):

*“Halyk Bank, immediately from February 2022 took a conservative approach in terms of opening accounts to non-residents that concerns both retail and Corporate/SME segments. So we don't think that it will have any meaningful impact on our results. So we are definitely not the largest, not the second, probably not the third bank, in terms of opening accounts to non-residents.”*






### **Kaspi Overwhelmingly Cited as Most Amenable for Russians Seeking International Accounts**

By contrast, we uncovered substantial evidence that suggests Kaspi has become the bank of choice for Russians looking to move money abroad, even in 2024. See that [numerous Yandex reviews](#) of Kaspi bank branches tout the speed and ease at which Russian citizens can open new accounts. Kaspi even replies to some reviews to thank self-identified Russian citizens, and to guide them on exchanging rubles for other currencies outside of the bank.

#### **Two Russians cite Kaspi as “[the only bank](#)” and “[one of the few banks](#)” that still issue cards to Russians**


<p> <b>Alexander Viniarski</b> Level 12 City Connoisseur <a href="#">Subscribe</a></p> <p>★★★★★ 23 September 2023</p> <p>The only bank in Kazakhstan that issues cards to Russians, good examination, nice staff, I recommend.</p>	<p> <b>Artem</b> Level 8 City Connoisseur <a href="#">Subscribe</a></p> <p>★★★★★ May 24</p> <p>One of the few banks that still issue cards to Russians! The account was opened without any problems very quickly and immediately issued a plastic card!</p>
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#### **Russian account holder [calls Kaspi “a miracle”](#) while citing rapid card issuance time, while [another user again cites rapid card issuance time](#)**

<p> <b>Anna Kharitonova</b> Level 10 City Connoisseur <a href="#">Subscribe</a></p> <p>★★★★★ January 25</p> <p>A miraculous miracle after the Russian Agricultural Bank. Everything is fast and clear. Everyone knows their work, responsive, attentive, professional. The card was issued in 3 minutes.</p>	<p> <b>Igor</b> Level 11 City Connoisseur <a href="#">Subscribe</a></p> <p>★★★★★ December 14 2023</p> <p>Account for Russians + card in 10 minutes</p> <p> 3  </p>
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## Kaspi [thanks](#) new Russian account holders; Kaspi rep [guides](#) another user on how to exchange Rubles


 **Yuliya Gelokhova**  
Level 11 City Connoisseur [Subscribe](#)

★★★★★ August 8


An excellent bank, I made a Caspian Gold card there, for citizens of the Russian Federation, you need documents a passport with a stamp on crossing the border, preferably fresh, TIN it can be done in the Center as well as with a foreign passport, SNILS and TIN of the Russian Federation, registration of residence in the Russian Federation and a Kazakh phone number and your card. The managers are all super guys, they told me everything, explained the card, issued it and issued it in 5 minutes. Recommend 👍

— Hide the organization's response




 **Official response** on August 11

Good afternoon! We are glad that you have become the happy owner of Kaspi Gold and were satisfied with the service in the branch! 😊 We wish you a great day! (Your #КаспiГид Ariana)


 **Nikita Polivoda-Krotov**  
Level 5 City Connoisseur [Subscribe](#)

★★★★★ August 21 2023

Did not change rubles to tenge (

 1  3 


— Hide the organization's response

 **Official response** August 27, 2023

Good morning! In the exchange offices of Kaspi branches, you can buy or sell only euros or dollars. Currently, the exchange of rubles is not possible.




To find an exchange office that will accept the currency you need, you can use any directory with a map of the city. In advance, we recommend calling the specified contact number of the company to clarify information about the possibility of exchanging currency and its availability. (Your #КаспiГид Varvara)

## Account holder [blames](#) 2022 “excitement” (an apparent reference to Russian post-sanction scramble to acquire foreign accounts) for long lines; Kaspi [thanks](#) Russians for becoming “our beloved customers”


 **Roman Dolgov**  
Level 8 City Connoisseur [Subscribe](#)

★★★★★ June 24

During the period of excitement for receiving bank cards and accounts in 2022, I spent more than 2 hours at the bank to open an account and receive a card.


  

— Hide the organization's response

 **Official response** on June 30




Good afternoon! Now you can get a personalized Kaspi Gold card through Kaspi Kartomat in 1 minute 😊

We will continue to improve the lives of our beloved customers 😊 (your #КаспiГид Ksenia)


 **Tatyana Kamaletdinova**  
Level 12 City Connoisseur [Subscribe](#)

★★★★★ July 23

Very quickly they issue a card to citizens of the Russian Federation!

— Hide the organization's response

 **Official response** on July 25

Good afternoon! We will continue to delight our beloved customers with convenient services. ❤️ (Your #КаспiГид Ksenia)

Kaspi also appears to be the primary option for Russian business owners. See again numerous comments from Russian forum VC.ru in which users [consistently highlight new accounts with Kaspi](#):

*“For example, Kaspi has a correspondent bank in Russia – Raiffeisen ... If the bank from which you send to the Russian Federation and the correspondent bank are the same, there will be no commission. This is the case of sending from Raiffeisen to Kaspi and BCC.” – [October 24, 2022](#)*

*“The easiest option is Kaspi. Issued at any branch. 10 minutes to process documents and then in 2 minutes the terminal prints your card in front of you.” – [November 26, 2022](#)*

*“Most migrant chats and blogs on vc.ru recommended Kaspi Bank – essentially, it is the only bank in Kazakhstan that opens cards for non-residents quickly and without unnecessary bureaucracy... we were unlucky, we got into a large wave of people coming from Russia...”*



*"I went to the nearest Kaspi bank branch, which has a card machine. There, the girls, already trained on Russian clients, immediately gave me a piece of paper with the rules for using the card... The whole procedure took me no more than 10 minutes..." – [April 26, 2023](#), citing [October 2022 trip](#)*

*"You can send rubles from Russia to a ruble account in Kaspi Gold via the Kaspi.kz correspondent account in Raiffeisenbank (Moscow). Rubles will be automatically converted at the current rate into tenge." – [May 4, 2023](#)*

*"I withdraw my salary via Solar Staff to a Russian card. Previously, I transferred money from there to Kaspi via Qiwi Wallet, then it turned out that you can immediately transfer them via Tinkoff [sanctioned Russian Bank] to a Kazakh card." – [February 1, 2023](#)*

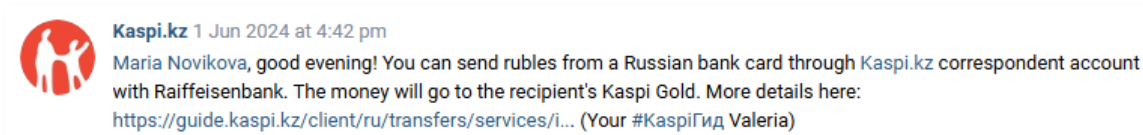
### **Kaspi Holds an Account at Raiffeisen in Moscow, Under Money Laundering Investigations**

Kaspi has repeatedly claimed that the Company does not work with sanctioned Russian banks, but – as shown above – multiple Kaspi accountholders reference a Kaspi account at Raiffeisen Bank. As an Austrian bank, Raiffeisen initially avoided sanctions, but has since come under fire as its Russian arm has continued to do business. We confirmed that Kaspi continues to work with the Moscow arm of Raiffeisenbank through the Company's own [list of correspondent accounts](#). Raiffeisen is in fact the very first bank listed.

**Список корреспондентских счетов АО "Kaspi Bank"**

№	Наименование банка	SWIFT	Реквизиты банка	Валюта	Номер счета АО "Kaspi Bank"
1	<b>РАЙФФАЙЗЕНБАНК МОСКВА, РОССИЯ</b>	RZBMRUMM	№ 30101810200000000700  БИК 044525700	RUB	3011181000000000079

Kaspi's [FAQ page](#), last updated December 2023, also confirms that the Company holds an account at Raiffeisen (C/S No. 30101810200000000700) through which Russian customers can transfer rubles. Finally, as recent as June 2024, we [found](#) Kaspi customer service representatives on popular Russian social media platform VK instructing customers how to send rubles from Russian banks to Kaspi via Raiffeisenbank:



In the past 2 years, Raiffeisen has encountered not only increased scrutiny but now faces at least 2 investigations related to money laundering. We believe this poses a meaningful risk to Kaspi's business, by extension.

- In February 2023, [Reuters reported](#) that the US Treasury Department's OFAC office was investigating Raiffeisen and asked the bank for details regarding its exposure to Russia, as well as the transactions and activity of certain clients.
- In February 2024, the [bank disclosed](#) that Austria's financial regulator FMA has been investigating the bank on anti-money-laundering failures.

- In May 2024, the [sale](#) of Raiffeisen’s Russian unit to Russian oligarch Oleg Deripaska was effectively called off after the US issued a threat of secondary sanctions.
- In June 2024, Raiffeisen [suspended](#) all outgoing USD payments again following warnings that it could be shut out of the US financial system.
- In August 2024, Raiffeisen [announced](#) that it would suspend outbound cross-border transactions, “*except for a limited number of corporate clients in large and international businesses. This restriction has been implemented following a decision by the RBI Group in response to an ECB directive. The changes do not affect cross-border payments in rubles to countries that accept them.*”<sup>2</sup>
- Finally also in September 2024, a Russian court [froze](#) the shares in Raiffeisen’s Russian arm, effectively blocking its potential sale.

### **We Believe a Material Portion of Kaspi Growth Has Been Driven by Russian Inflows**

We believe – based on the combination of Kazakh central bank data, the numerous customer accounts above, the retreat of competitors like Halyk from the “non-resident” market, and Kaspi’s continued relationship with Raiffeisen – that Kaspi has been and continues to be responsible for a substantial portion of non-resident inflows to Kazakh banks since 2021. Illustratively, if Kaspi took in 50% of all non-resident deposits, **then Kaspi’s non-resident deposits would currently make up an astounding 29% of its book and be responsible for 43% of the Company’s deposit growth since the start of 2022.**

<b>Culper Est. Kaspi Nonresident Deposit Growth (millions tenge)</b>	
Kaspi net new deposits, 2021 to Q2 2024	2,934.3
Non-resident deposits nationwide, year-end 2021	763.8
Non-resident deposits nationwide, Q2 2024	3,282.9
Net new non-resident deposits nationwide, 2021 to Q2 2024	2,519.1
Kaspi share of net new non-resident deposits	50%
Kaspi net new nonresident deposits	1,259.6
Kaspi total deposits, year-end 2021	2,763.0
Kaspi total deposits, Q2 2024	5,697.3
Kaspi net new deposits, 2021 to Q2 2024	2,934.3
<b>Non-resident as % of Kaspi total deposit growth</b>	<b>43%</b>
<b>Non-resident as % of Kaspi total deposits, Q2 2024</b>	<b>29%</b>

### **Satybaldy Used Kaspi to Launder Stolen Funds and Buy Properties in Russia**

Then there’s the smoking gun. In April 2024, Kairat Satybaldy – the imprisoned nephew of scorned dictator Nazarbayev, a former 30% shareholder of Kaspi, and someone who Kaspi Chairman Kim has called “a longtime friend and partner” – [pled guilty](#) to laundering money through multiple Kaspi bank accounts, then using the laundered funds to purchase properties in Russia.<sup>3</sup> This story seems to have been entirely ignored by investors, but reinforces our concerns not only of Kaspi’s undisclosed ties to Russia, but of the bank’s controls. Moreover, this re-raises questions about Kaspi’s shareholder list and about US listing standards: **we are talking about a**

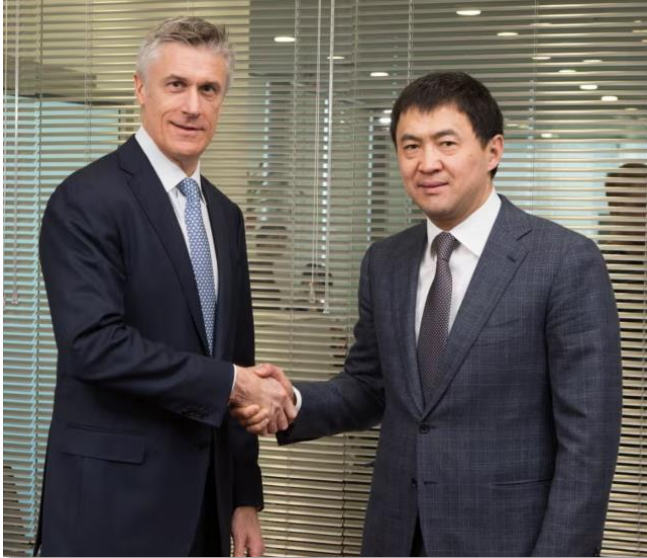
<sup>2</sup> It is unclear whether or not this would affect Kaspi directly, as Kaspi’s Russian customers appear to receive rubles, then convert to rubles to tenge, and as Kazakhstan continues to accept rubles.

<sup>3</sup> For more details and our views regarding Satybaldy’s history of involvement with Kaspi, see pages 27 to 30.

**NADSAQ-listed company that has allowed a former 30% shareholder, admitted “longtime friend” of the Chairman, and criminal to use the bank as a washing machine for hundreds of millions in ill-gotten gains.**

In March 2022, Kairat Satybaldy was arrested by Kazakh authorities as he tried to flee the country on charges of money laundering and embezzlement from state-owned companies, most notably Kazakhtelecom. In September 2022, Satybaldy was sentenced to 6 years in prison related to these same allegations.

**Baring Vostok’s (25% Shareholder) Michael Calvey and Satybaldy (2016), Satybaldy in Custody (2022)**



Sources: [Radio Azattyk](#), [Eurasianet](#)

In April 2024, Satybaldy pled guilty to charges of laundering “stolen funds of illegal origin” through bank accounts at Kaspi using an enterprise named TechAlliance LLP and the aid of his confidant Effendi Kemal. According to prosecutors, while TechAlliance claimed its main activity was “to purchase consumer goods in foreign countries to sell them in the territory of the Republic of Kazakhstan”, the business laundered Satybaldy’s dirty money through accounts at Kaspi and used those laundered funds to purchase properties in Russia.

**Satybaldy on Trial (2024)**



Source: [Central News Media of Kazakhstan \(CMN.KZ\)](#)

We have re-posted relevant portions of the [prosecutor's address](#) to the court below:

*“Effendi, pursuing vested interests, possessing experience of running business, aimed at criminal intention to illegally enrich, a group of individuals in preliminary collusion with Satybaldy-uly with the aim of financial enrichment, with deliberate vested interests, raised profits from criminal violations through legalising criminally obtained funds in large amounts.*

*Effendi monthly received part of profits of TechAlliance in cash and to increase illegal money deposited criminally obtained money into bank accounts of Satybaldy-uly in Kaspi Bank JSC. **In total, in 2018-2022 Effendi deposited 53 million tenge and \$150,054,739 or equivalent to 62,980,918,643 tenge of illegally obtained money on Satybaldy-uly's bank accounts in Kaspi Bank.***

*Effendi, as a trusted person of Satybaldy-uly, with the aim of laundering money of criminal origin to introduce them into legal turnover, using a power of attorney withdrew cash from Satybaldy-uly's bank accounts. **From Satybaldy-uly's bank accounts in Kaspi Bank, Effendi in total withdrew 37,980,790,000 tenge and \$62 million, which is 59,352,810,000 tenge at the National Bank's average exchange rate.** In addition, money of criminal origin obtained from topping up TechAlliance's balances with money stolen and money raised from profits of business activities of illegal nature Satybaldy-uly legalised by depositing into his bank accounts in Kaspi Bank JSC. **In total, 546,001,916 tenge and \$61,861,067 or equivalent to 24,325,313,034 tenge were deposited on Satybaldy-uly's bank accounts in Kaspi Bank JSC.***

*In addition, funds of especially large amounts were repeatedly withdrawn in cash from Satybaldy-uly's bank accounts in Kaspi Bank using powers of attorneys of 24 November 2016, 15 November 2019 and 15 February 2021. **Thus, in 2018-2022, stolen funds of illegal origin were mixed with money on TechAlliance's balances which were used in business activities to raise revenue and withdrawn a total of 172,068,621,339 tenge and deposited on Satybaldy-uly's bank accounts in Kaspi Bank.***

*In this period, from these accounts 196,789,294,497 tenge of illegally obtained money was withdrawn and used to purchase various properties. **Satybaldy-uly pursued vested interests, knowing that this money was raised from criminal activities, i.e. obtained illegally, part of it worth \$22,965,000 to buy a property in Dubai using his personal bank account in Kaspi Bank JSC.** From this account Satybaldy-uly transferred \$22,965,000 between 10 December 2020 and 7 June 2021 to a bank account in the Emirates Islamic Bank in Dubai via correspondent accounts at the Bank of New York Mellon and Citibank, or equivalent to 9,679,138,950 tenge. As a result, money of criminal origin accumulated in the Emirates Islamic Bank was converted to the Arabic dirhams and was put into legal turnover through a purchase of a villa at the address of Emirates Hills [inaudible] in Dubai.*

*In addition, on 7 February 2020, Satybaldy-uly issued power of attorney No 229 to regional manager Sagynayev of Kaspi Bank JSC in Astana and **instructed him to withdraw cash from his bank account at Kaspi Bank JSC due to his departure abroad.** Sagynayev withdrew on 11, 17, 25 and 27 February 2020 withdrew a total of \$40 million of illegally obtained money from Satybaldy-uly's accounts, or equivalent to **16,518,000,000 tenge which Satybaldy-uly used to buy properties No 55, 56, 66 and 67 at the Snegiri residences with parking lots at the address 2V Minskaya St in Moscow, the Russian Federation.**”*

In August 2024, Satybaldy was [released](#) from prison early, agreeing to a commuted sentence with restricted freedom for 3 years, and has since surrendered \$1.6 billion in assets to the state.



## We Believe Kaspi and its Partners Now Face the Risk of Secondary Sanctions

Kaspi's US listing prospectus and its 2023 Form 20-F disclose the boilerplate risk of secondary sanctions, while at the same time disclaiming relationships with any sanctioned "*persons or entities.*"<sup>4</sup> We believe this risk is especially heightened as it is clear to us that Kaspi continues to service Russian clients and – as we detail further below – has several undisclosed relationships with Russian businesses.

### Kaspi Amends Terms in July 2024, Citing Sanctions, Money Laundering, and Terrorist Financing

In July 2024, Kaspi amended its partner service agreement. The agreement, which reportedly had not been altered since 2020, now specifically calls out the Company's ability to suspend or cancel operations of counterparties directly or indirectly under sanctions or cooperating with sanctioned persons, seemingly as a result of the Kazakh government's crackdown on "*the laundering of proceeds from crime and the financing of terrorism...*" See the relevant section of the English-translated partner agreement below.

3.1.11. Suspend and (or) refuse the Partner to conduct the Operation, terminate business relations with the Partner and terminate the Partners' DBO in cases:

- stipulated by the legislation of the Republic of Kazakhstan, including the legislation of the Republic of Kazakhstan on combating the legalization (laundering) of proceeds from crime and the financing of terrorism, the Agreement, including failure to provide Kaspi with the requested documents and/or information;
- if the Partner and (or) a person directly or indirectly related to it, is subject to international sanctions, prohibitions, restrictions imposed by countries, unions, organizations and (or) have another connection with the sanctioned element, including sanctioned goods/services, as well as in the event that there are potential risks of violating international sanctions;

### While Sanctions Continue Expanding Against Payment Networks Aiding Russia

As sanctions continue expanding against Russia, many popular Russian payment gateways used to get money out of the country have come under fire, with three of the most popular routes facing repercussions in 2024 alone:

- In February 2024, the Bank of Russia revoked QIWI's banking license after finding that it "systematically failed to comply with... anti-money laundering and counter-terrorist financing laws." QIWI operated CONTACT, one of the most popular international money transfer systems with routes from Russia to Kazakhstan, among others. Coincidentally, on September 6, 2024, QIWI announced that its US-listed ADSs would be delisted from NASDAQ and transferred to Kazakhstan's Astana Stock Exchange.

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<sup>4</sup> See Form 20-F page 27.

- Also in February 2024, the US [sanctioned](#) Russia's National Payment Card System, the state-owned operator of the popular Mir cards. In the following months, Kazakh banks [stopped servicing](#) Mir cards.
- In August 2024, the US sanctioned Russia's Centre of Financial Technologies (CFT), developer of the Golden Crown (i.e., "Zolotaya Korona") cross-border remittance system that allows users to send currency internationally and collect either in cash or via a bank card. Golden Crown is designated as one of Kazakhstan's "significant payment systems", responsible for more than 25% of the total money sent through international money transfer systems. In the last twelve months, 90% of outbound payments and 50% of inbound payments from and to Kazakhstan passed through Golden Crown. However, numerous Kazakh banks have now [stopped processing Golden Crown payments](#) following sanctions. For its part, Kaspi disclaims any direct relationship with Golden Crown, yet we found numerous examples of individual Kaspi clients using Golden Crown to exchange rubles and tenge, as alluded to in posts above.

### NASDAQ Halted and Delisted Pingtan Marine (PME) After Sanctions Violations

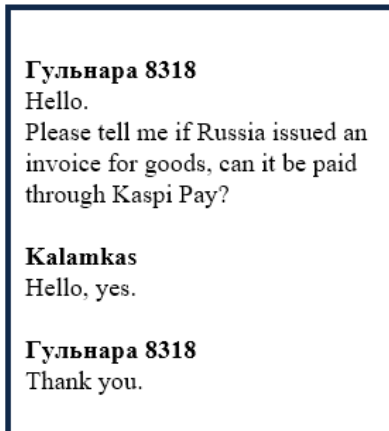
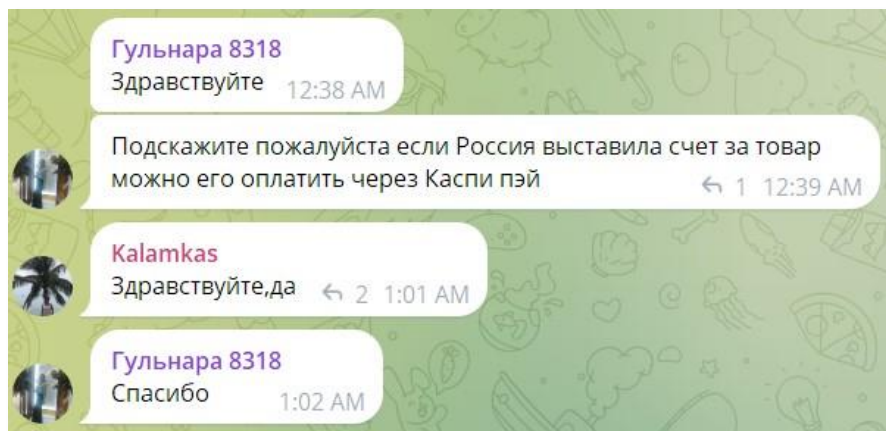
We think NASDAQ ought to also take interest in Kaspi, as there is exchange-level precedent for action. In December 2022, Fijian China-based Pingtan Marine Enterprise (NASDAQ:PME) and its Chairman and CEO were [sanctioned by OFAC](#) after short seller Aurelius Value [exposed](#) illegal fishing activities and labor abuse. The same day, the NASDAQ froze trading in PME and two weeks later began delisting proceedings. NASDAQ brought the proceedings under [Listing Rule 5101](#), which gives the exchange broad authority to deny listing of a company, including if an executive is under sanctions.

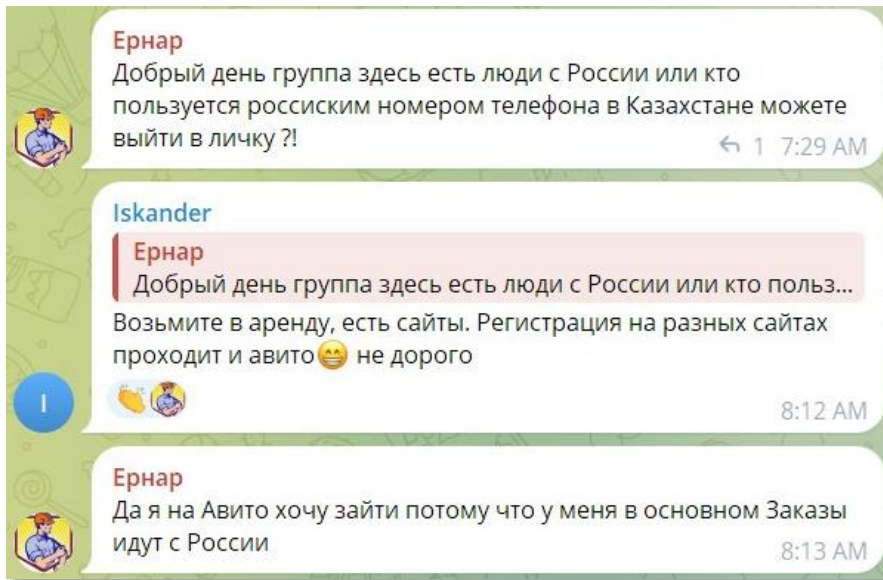
### **It Doesn't Stop at Banking: Kaspi's Exposure to Russia Permeates Every Segment**

#### Kaspi Marketplace Remains Open to Russian Buyers, Sellers, Suppliers, Goods

It looks to us that Kaspi's marketplace remains open season for Russian buyers, sellers, and suppliers. We uncovered multiple Telegram groups dedicated to selling on the Kaspi marketplace in which Russia-based users discuss various tips and tricks of selling on Kaspi.

#### **Example 1: User claims to pay Russian invoices through Kaspi Pay**



**Example 2: Seller claims that orders are “mostly” going to Russian buyers****Ernar**

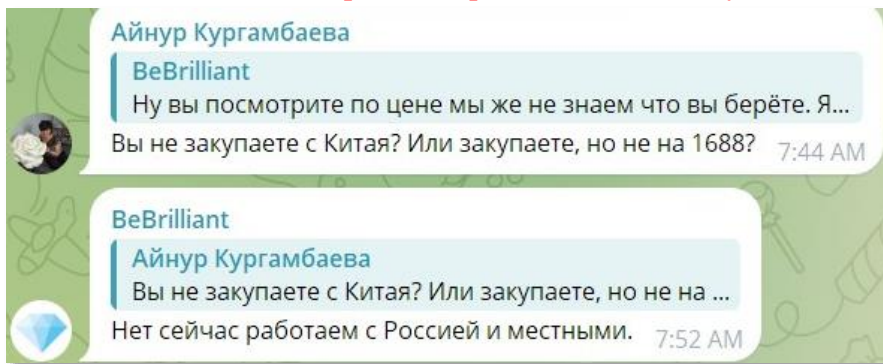
Good day, group. Are there people from Russia here or anyone using a Russian phone number in Kazakhstan? Can you come to private?

**Iskander**

Take note, there are sites. Registration on various sites goes through and it's not expensive.

**Ernar**

Yes, I want to go on Avito because mostly my orders are going to Russia.

**Example 3: Kaspi seller claims to buy from Russian suppliers****Ainur Kyprambayeva**

Are you purchasing from China? Or are you buying, but not from 1688 [Chinese wholesaler]?

**BeBrilliant**

No, we are currently working with Russia and local suppliers.



#### Example 4: that same Kaspi seller offers a paid course on how to find Russian suppliers

**BeBrilliant - Kaspi**




**Толкын**  
А какие темы будут?

друзья, следующая программа марафона

1. изучение обучающего видео и поиск поставщиков по пройденному методу и сбор прайс листов (5-10 шт для примера) x2 метода
2. анализ прайс листов на прибыльность и потенциальные продажи при помощи бота аналитики x2 метода
3. бонус для учеников, необычный инструмент который я использую для поиска готовых к сотрудничеству оптовиков из России, Белорусии и Казахстана
4. бонус тем, кто пройдет марафон, любой инструмент из нашего ассортимента бесплатно (обычная стоимость 10 тыс).

прохождение онлайн, в удобном для вас темпе, но все равно будут сроки и группа, поэтому опоздавших не ждем. каспи магазин или ИП иметь не надо, но желательно определиться, чем хотите заниматься или уже работать в какой-то сфере, где вы ищите поставщиков. Работа с Китаем, китайские площадки не рассматриваются. Марафон не подразумевает никакой работы наставника, все делаете сами. Марафон не подразумевает предоставление Вам готовых баз поставщиков, "волшебных" товаров и тому подобному, результат зависит только от Вашего труда и Вашей удачи.

Стоимость 10 тыс тенге. Старт по мере набора группы, если она наберется. @be\_brill

   4:06 AM

Friends, the next program of the marathon includes:

1. Learning through educational videos and searching for suppliers using the specified method and gathering price lists (5-10 examples for each of two methods).
2. Analysis of price lists to estimate profitability and potential sales using an analytics bot (two methods).
3. Bonus for participants, an unusual tool I use for finding goods in collaboration with suppliers from Russia, Belarus, and Kazakhstan.
4. Bonus for those who complete the marathon, any tool from our assortment will be provided for free (usual cost 10,000 tenge).

The program will be conducted online, convenient for you, but there will be deadlines and groups, so don't delay. No need to have a Kaspi store or experience, but it's essential to decide what you want to do or in which sphere you are looking for suppliers. Working with China, Chinese platforms do not require previous knowledge. The marathon does not offer "get rich quick" schemes, everything depends on your own work, the result depends solely on your effort and dedication.

The cost is 10,000 tenge. Start as soon as the group is formed. @be\_brill

Similarly, Russian [VC forums cite](#) the Kaspi marketplace “has been available to Russian suppliers since 2020” and “provides the most comfortable conditions for Russian suppliers.”

In another seller group chat, a user asks, “please advise fulfillment delivery from Kazakhstan to Russia” and another user recommends “Empire Fulfillment.” Empire Fulfillment’s materials confirm it offers “delivery to warehouses in Beiserke, Atakent, and warehouses in Russia” and its videos [tout deliveries](#) to Russian cities.

**Example 5: Kazakh sellers advise on Russian delivery partners**

The image shows two parts: a WhatsApp chat on the left and a social media profile on the right.

**WhatsApp Chat:**

- Date: August 7
- Sender: Айгуль Ахметова (Aigul Akhmetova)
- Message: Здравствуйте. Посоветуйте пожалуйста, фулфилмент поставка с Казахстана в Россию. (Hello. Please advise, fulfillment delivery from Kazakhstan to Russia.)
- Time: 3:28 PM
- Receiver: Сергей (Sergey)
- Message: Здравствуйте. Посовете... (Hello. Advise...)
- Time: 4:09 PM
- Sender: Empire Fulfilment

**Social Media Profile:**

- Username: empire\_fulfilment
- Buttons: Follow, Message
- Stats: 122 posts, 3,519 followers, 1 following
- Business Name: Фулфилмент Алматы Wildberries FBO | FBS
- Product/service: Мир эффективной логистики (World of effective logistics)
- Services:
  - Упакуем ваш товар за 1 день (We will pack your goods in 1 day)
  - Доставка в склады Байсерке, Атакент и склады России (Delivery to warehouses in Bayserke, Atakent and Russia)
  - Упаковка от 100тн (Packaging from 100 tons)
  - Забор товара из дома (Goods pickup from home)
- Link: wa.me/message/QKXJSJEZ6KIO1 + 1

We also uncovered Russian businesses selling their own product through installment loans (i.e., Kaspi's BNPL product) on the Kaspi marketplace, as shown in the example of Saint Petersburg-based [OxyProp](#) below, which joined Kaspi in December 2023 according to their [Kaspi storefront](#), and holds a bank account at VTB Bank, which has been subject to wide-ranging sanctions [since February 2022](#). Kaspi again claims to have no relationships with Russian banks.

**Example 6: Russian business sells on the Kaspi marketplace, holds an account at sanctioned VTB**

The image shows the storefront for OxyProp on Kaspi.kz and a sidebar with company details.

**Storefront Information:**

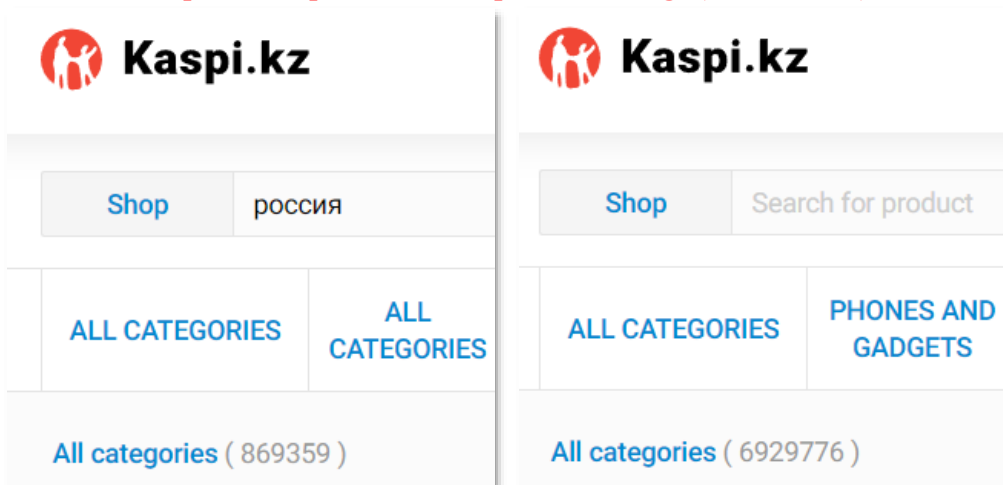
- Location: Russia, Saint Petersburg, Energetikov Ave., 19, Linkplace Business Center
- Phone: +7(929)111-19-73
- Hours: Mon-Fri 10.00-19.00
- Logo: OXYPROP (с нами легко строить)
- Navigation: Product Catalog, Search
- Breadcrumbs: Home / Goods on installment
- Section: Goods on installment
- Text: INSTALLMENTS FROM KASPI BANK
- Text: The name of our store on Kaspi.kz is **"TOO OXYPROP"**
- Text: All products of our store on [Kaspi.kz](#)

**Our details:**

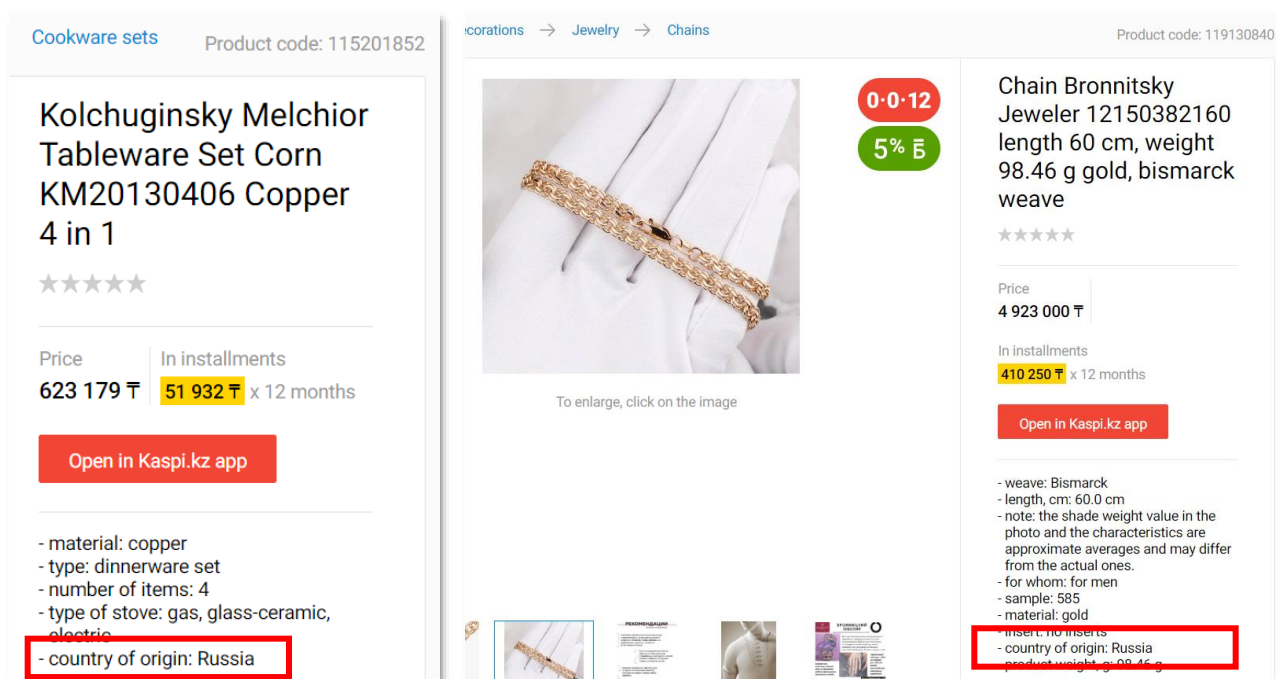
- Company: Limited Liability Company "OKSIPROP" (OOO "OKSIPROP")
- INN: 7806620274
- Gearbox: 780601001
- Address: Russian Federation, 195027, St. Petersburg, Energetikov Avenue, Building 19, lit. A, room 110
- Current account: 407 02 810 226 18000 14 82
- C/A: 30101 810 145 250 000 411
- Bank: In the Central Branch of VTB Bank PJSC
- BIC: 044525411
- OGRN: 1247800054996 dated 03.06.2024.

Numerous Russian goods also appear to be offered for sale on Kaspi's marketplace. See per our search below that when we set our location to Almaty, Kazakhstan, 13% of listings mention Russia, often in the context of the item's nation of origin. We imagine that these items also tend to be higher value in nature (e.g., jewelry, not bananas), given shipment costs.

**Our search of Kaspi Marketplace: 869,359 product listings (13% of total) mention Russia**



See for example a cookware set and [gold jewelry](#) each being sold from Russia via Kaspi. Photos by the seller tout the quality of the jewelry as hailing from a factory in Bronnitsy, Russia.



### Kaspi Partners with Yandex on Food and Grocery Deliveries

According to a former Product Manager at Kaspi, the Company also utilizes the Russian tech giant Yandex in order to fulfill deliveries, and this relationship is what enables Kaspi to have held share amid competition from Ozon and Wildberries.

*“Kaspi is connected to the Yandex. So, as sellers, they get the IP of Yandex. And whenever you want to have an express delivery, for example, you might get it within three hours, even less. So, I really use it often when I really need some quick item. And it is not that expensive, and it is a really handy stuff to use*

*it. So, for now Kaspi is the number one marketplace within the Kazakhstani market because there are a lot of competitors right now ... So, every seller, they have the opportunity to connect to the Yandex IP for the quick delivery.”<sup>5</sup>*

Yandex has also come under scrutiny in the face of war. In March 2022, Estonia [banned Yandex.Taxi](#), and encouraged other EU nations to do the same, citing that user data was being shared with the Kremlin.

Moreover, while Yandex had been [public](#) in the US since June 2011, in February 2022, NASDAQ [suspended trading](#) in Yandex and a number of other Russian US-listed ADSs, and in March 2023, NASDAQ told the firms they planned to delist the stocks. Yandex [won its appeal of the delisting](#), but shares remain halted (now [renamed](#) Nebius NV) pending the divestiture of all of the Company’s Russian assets.

### **Kaspi Partners with Russian Self-Checkout Operator on QR Pay, Never Discloses Deal to Investors**

In May 2024, Kaspi and Russian self-service checkout operator Smartix formed an agreement [to integrate](#) Kaspi QR into Smartix terminals. All of Smartix’s [disclosed self-checkout customers](#) are Russian businesses: FC Lokomotiv (the Russian Premier League football team’s merchandise store located in Moscow), Karo (a Russian cinema network), Materia (a clothing store located in the Russian city of Yoshkar-Ola), and the Barnaul Airport (again, in Russia). However, while Smartix issued a press release for the deal, Kaspi never issued a press release of their own, even though less than a month earlier, the Company [issued a press release](#) touting what appears to us to be a very similar partnership with Alipay in China. This contrast again suggests to us that Kaspi continually takes strides to hide its numerous ties to Russia from US investors.

#### **Kaspi Announces Partnership with AliPay+ for QR Integration in China ...**

##### **Kaspi.kz Announces Partnership with Alipay+ for QR payments across China**

Almaty, Kazakhstan, 30 April, 2024 – Joint Stock Company Kaspi.kz (“Kaspi.kz”) (Nasdaq: KSPI), which operates the Kaspi.kz Super App for consumers and Kaspi Pay Super App for merchants, today announces a new partnership with Alipay + to enable Kaspi.kz customers to pay using the Kaspi.kz Super App and QR code, throughout China.

#### **... But Never Discloses Deal with Russia’s Smartix Just 1 Month Later**

### **Smartix self-checkouts support Kaspi QR**

28 May 2024



Our company has integrated [our own self-checkout software](#) with Kaspi QR. Now self-service checkouts, kiosks, terminals and Smartix electronic cashiers fully support accepting payments via Kaspi QR.


### **Kaspi’s Last-Mile “Postomat” Smart Lockers Manufactured and Sold by a Russian Supplier**

In 2021, Kaspi launched its “Postomats” network of automated personal machines (“APMs”), otherwise known as parcel lockers, of which the Company now has over 6,000. The lockers have been an integral part of Kaspi’s marketplace business; CEO Lomtadze referred to them as a “significant competitive advantage” in the Company’s April 2023 earnings call, and disclosed in its Q2 2024 conference call that the lockers are now responsible for

<sup>5</sup> Third party call conducted through a leading expert network service.

over 50% of e-commerce deliveries. However, we once again uncovered the supplier of Kaspi's postomats is a Russian company, Techline, which manufactured the machines in Novosibirsk (Russia):

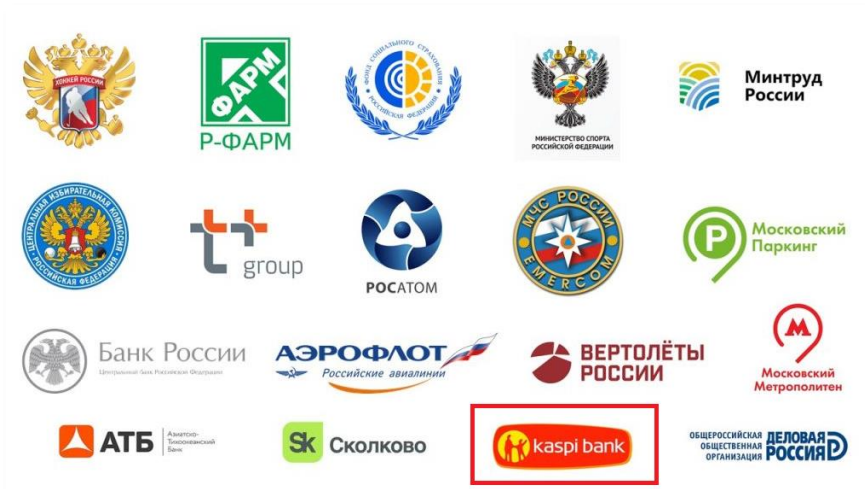
Kazakhstani MarketPlace Kaspi.kz, owned by Kaspi Bank, decided to create a network of parcel terminals for issuing purchases. The customer's specialists contacted us with the technical specifications for the parcel terminal.



In response to the technical task, we proposed a basic model of our parcel terminal with the necessary modifications. After approval, a prototype was manufactured in a week and sent from Novosibirsk to Kazakhstan. After test operation, the customer placed an order for a batch of parcel terminals, which was successfully completed by Techline.

### Kaspi Even Uses the Same PR Agency as the Kremlin

Kaspi has even relied on the services of Contextual Technologies, a Russian PR agency that represents numerous other Russian state groups, as shown in the photo below. In fact, every one of Contextual's disclosed clients is a Russian company or Russian state-owned asset, with the exception of Kaspi.





It seems particularly strange to us that Kaspi would engage a Russian PR agency when, presumably, plenty of Kazakh PR agencies would be perfectly capable of doing the job just as well.

## **Kaspi's Predilection for Self-Dealing and Ties to Numerous Bad Actors**

Kaspi has historically thrived under Kazakhstan's highly corrupt, dictatorial regime, and we find the Company's M&A history exhibits many of the same characteristics. From Kazakhstan's 1991 independence from the Soviet Union until 2019 (and unofficially until 2022<sup>6</sup>), the nation was ruled by [Nursultan Nazarbayev](#). Nazarbayev's regime [ransacked state assets](#) and his circle of kleptocrats [muti-billion dollar fortunes](#), laundering the proceeds and shifting funds abroad. As early as 2006, Jonathan Winer, former US Deputy Assistant Secretary of State for International Law Enforcement in the [Clinton Administration](#), [stated that](#), "*I can't think of a leader in the free world as notoriously corrupt as Nazarbayev... We've known about his corruption for at least 15 years*".

Yet even after Nazarbayev's fall from power, corruption continues to permeate the nation. In a 2022 parliamentary debate, a veteran British lawmaker continued to [describe Kazakhstan](#) as "*ruled by a kleptocratic elite that has grown rich off the back of money stolen from its people*" and chided the UK for having "*turned a blind eye, ignored the corruption and helped the Kazakh regime launder and spend its dirty money.*" In 2023, the U.S. State Department [stated of Kazakhstan that](#), "*corruption continues to be observed in nearly all sectors, including in extractive industries, infrastructure projects, state procurements, and banking.*"

In our view, Kaspi is not immune to corruption in Kazakhstan, but is emblematic of it. Our research into Kaspi's deal history exposes not only a pattern of self-dealing, but wide-ranging ties to bad actors, further bolstering our governance and disclosure concerns. Kaspi is regarded by US investors as a high quality operation, yet the Company's choice of business partners continually demonstrates the opposite.

### **Deal 1: February 2023, Kaspi forms \$155M JV with Magnum Cash & Carry**

In February 2023, Kaspi formed a \$155 million joint venture ("JV") with Magnum Cash & Carry, one of Kazakhstan's largest supermarket chains. Kaspi holds 90% of the JV, while Magnum holds just 10%. Our research into the deal uncovered both ties to bad actors and related party questions.

Magnum was [founded in 2008](#) and began operating in February 2009. Kaspi's Kazakh [filings show](#) that as of October 2016, Magnum was controlled by its founder Alexander Garber and [Kenes Rakishev's SDB Group](#). Rakishev has close ties to Kazakhstan's former dictator Nazarbayev, having obtained a stake in BTA Bank after its nationalization by Nazarbayev. He is also alleged to be a former business partner of Hunter Biden, [referring to Hunter](#) as "*my brother from another mother.*" Finally, Rakishev [was co-founder](#) of the now-failed Net Element (formerly NETE, now MULN).<sup>7</sup>

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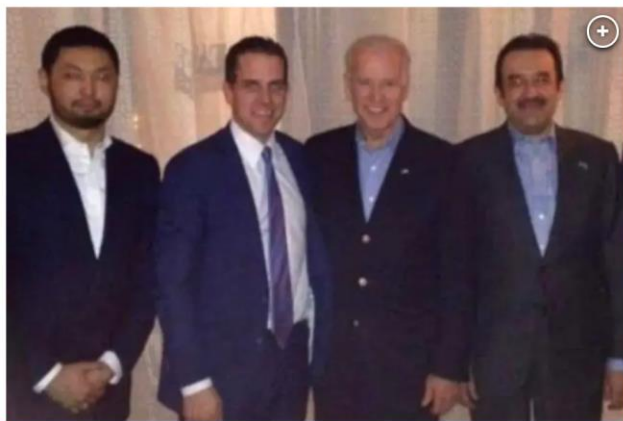
<sup>6</sup> Nazarbayev was a longstanding, [senior member](#) of the Politburo prior to Kazakhstan's independence. Despite losing power in 2019, he remained a [highly influential](#) figure in Kazakhstan, described as a "power in the [shadows](#)" until [nationwide protests](#) in 2022.

<sup>7</sup> Kaspi Chairman Kim and Rakishev's ties go back to [at least 2014](#).

## Photo shows Joe Biden meeting Hunter's alleged business partner from Kazakhstan

By Ebony Bowden

Published Oct. 20, 2020 | Updated Oct. 21, 2020, 9:06 a.m. ET



Hunter and Joe Biden with Kenes Rakishev (left) and Kazakhstan's former prime minister, Karim Massimov (right) KJAR

### EXPLORE MORE

Harris camp offered \$1K to Biden allies before she was floated for board seat on Beau foundation: Hunter laptop emails

Zuckerberg admits Biden admin pressured Facebook to censor COVID content, says it was wrong to suppress The Post's Hunter laptop coverage

Feds trying to 'slime' Hunter Biden with evidence of strippers, porn at upcoming tax trial: lawyer

A new photograph has emerged of Democratic presidential nominee Joe Biden posing with Hunter Biden and Kenes Rakishev, a Kazakh oligarch who reportedly worked with the former veep's scandal-scarred son.

The snap, first published by a Kazakhstani anti-corruption website in 2019, follows last week's bombshell Post exposés detailing Hunter Biden's overseas business dealings and a report claiming Rakishev paid the Biden scion as a go-between to broker US investments.

In the undated photo, shared by the Kazakhstani Initiative on Asset Recovery, the former vice president can be seen smiling with Kazakhstan's former prime minister Karim Massimov and his son, who is flanked by Rakishev.

A Daily Mail report published Friday detailed Hunter Biden's alleged work with Rakishev, claiming he dined regularly with the Kazakh businessman and attempted to facilitate

investment for his cash in New York, Washington, DC, and a Nevada mining company.

FEATURE

## The Tech Company That Couldn't Invest Straight

By Bill Alpert (Follow)

Updated April 27, 2018, 2:55 pm EDT / Original April 25, 2018, 2:50 pm EDT

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Net Element's leaders ring Nasdaq's opening bell on October 4, 2012. (left to right) Francesco Piovonetti, James Caan, Mike Zoi and Kenges Rakishev. (COURTESY OF NASDAQ)

One of the stocks boosted in the recent blockchain mania is Net Element, a small firm that offers a big lesson in the unlikely personal connections and influences that modern global markets facilitate.

Behind this microcap stock at various times were a Kazakh oligarch, tax-shelter touts, Wall Street crooks, a porno financier, CNBC pundit Jon Najarian, and Godfather star James Caan. Oh, and the Miami-based company's chief is also Grenada's ambassador to Russia. There's even a brief appearance by the hedge fund Platinum Partners, which later collapsed as its bosses Murray Huberfeld and Mark Nordlicht were arrested. Huberfeld was charged with bribing a union official to invest in Platinum, while a separate case alleges that Nordlicht helped run Platinum as a billion dollar Ponzi fraud. They're fighting the charges.

In May 2017, Kaspi Chairman Kim [acquired](#) 35% of Magnum Cash & Carry as a personal investment, rather than on behalf of Kaspi, the majority of which was acquired from Rakishev. While Magnum's full ownership structure remains unclear, by September 2020, Kazakh [media reports suggested](#) that Magnum's co-founder Alexander Garber completely exited Magnum, and the only named shareholder was "Caspian Trading Investment Co. Ltd LLP", which is listed in [Russian language filings](#) as an affiliate of Kaspi.

In June 2021, Magnum [launched](#) Magnum E-Commerce, and Kaspi [launched](#) Kaspi e-Grocery in partnership with Magnum. In February 2023, Kaspi disclosed that it acquired 90.01% of Magnum E-Commerce, with the remaining 9.99% continuing to be held by Magnum Cash & Carry.

Chairman Kim's daughter Yulia Vyacheslava Kim appears to run the venture; her name [appears](#) in KASE filings as an affiliate of Kaspi as of February 2023. Kaspi never discloses her role in US SEC filings.

256	Ким Юлия Валерьяновна	30.06.85	пп. 3) п.1 ст.64 Закона об АО и ст. 2-1 Закона о банках	09.02.23	должностное лицо ТОО "Magnum E-commerce Kazakhstan"
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Yulia Vyacheslava Kim June 30, 1985 February 9, 2023 Official of LLC "Magnum E-commerce Kazakhstan"



Kaspi's January 2024 US prospectus claim that "Mr. Vyacheslav Kim, the chairman of our board of directors and a significant shareholder, is the beneficial owner of a **controlling stake** in Magnum [Cash & Carry]" yet the full roster of Magnum's beneficial owners remains a mystery, as it is unclear if Kim controls his stake in Magnum via Caspian Trading Investment, which was earlier listed as the *sole* shareholder of Magnum, or if Caspian Trading Investment itself contains other unnamed, non-controlling shareholders.

## Deal 2: October 2021, Kaspi Acquires Portmone, a ShellCo Seemingly Tied to Russian Mobsters

In October 2021, Kaspi acquired Portmone LLC, a Ukraine-based online payments service, for an undisclosed sum.<sup>8</sup> Kaspi's filings reveal the deal was accounted for as an asset acquisition in contrast to an operating business as, "the Group did not acquire any substantive processes or activities that would constitute a business."

On 8 October 2021, the Group acquired 100% of Portmone Group. This transaction was accounted as an asset acquisition as the Group did not acquire any substantive processes or activities that would constitute a "business". Substantially all of the consideration paid has been allocated to the cost of intangible assets acquired, which is mainly represented by its customer base and software.

Portmone had just partnered with Ukraine-based Concordbank, intending to create a mobile POS payments system. However, after Kaspi acquired Portmone, the National Bank of Ukraine in June 2022 issued a [warning](#) and fine to ConcordBank for "failing to take adequate countermeasures to prevent money laundering and terrorist financing." In August 2023, ConcordBank's [banking license was revoked](#) and the bank was liquidated. Today, Kaspi continues to characterize the acquisition as a foothold in Ukraine, stating in its 2023 Form 20-F that, "Although the business is small, Portmone's payment license gives us the ability to launch other payments and related products, when the geopolitical situation stabilizes."<sup>9</sup> However, it is not only Portmone's operational history that raises red flags, but its ownership history, as our diligence reveals that Kaspi purchased the business from reputed proxies for Russian mobsters.

Portmone LLC was incorporated in Ukraine in 2002, and in 2013 was acquired by Ukraine-based Dragon Capital. In 2016, Dragon spun out a new firm – 4i Capital Partners – which assumed control of Portmone at that time, [per Ukrainian records](#). Cyprus-based [corporate filings](#) reveal Portmone's majority shareholder from at least November 2013 to June 2023 – well after Kaspi's acquisition of the business – was Budus Investments Ltd.<sup>10</sup> Budus in turn lists a single director – Pampina Votsi, a corporate administrator at Cypriot law firm Christodoulos G Vassiliades & Co. It's thus impossible for us to determine the exact individual or individuals from whom Kaspi purchased Portmone, yet it remains highly concerning to us that both Votsi and Vassiliadis are alleged to have run business operations for Russian mobsters and sanctioned oligarchs.<sup>11</sup>

Directors & Secretaries	
▶	Name
Directors	
▼	ΠΑΜΠΙΝΑ ΒΟΤΣΗ <b>Pampina Votsi</b>

<sup>8</sup> Media reports [estimated](#) the deal at \$10 to \$15 million.

<sup>9</sup> Kaspi also discloses that as of year-end 2023, Portmone had \$15.0 million in total assets and less than \$1 million in earnings.

<sup>10</sup> See Budus Investments Ltd registration number 294364.

<sup>11</sup> Votsi's [LinkedIn profile](#) confirms her position as a senior administrator for the law firm, as do comments from Vassiliades in the March 2022 Financial Times report.

As early as 2017, [Votsi was accused](#) of acting as a front for Ukrainian-Russian mobster Semion Mogilevich, who had been on the [FBI's most wanted](#) list for his part in defrauding investors in a Canadian-U.S. listed company and for crimes including, per FBI agents, "[weapons trafficking, contract murders, extortion, drug trafficking, and prostitution on an international scale.](#)"



Semion Mogilevich Wanted Poster

10/21/09

A Ukrainian businessman charged with more than 40 counts of racketeering, wire fraud, mail fraud, money laundering, and other economic crimes carried out in dozens of countries around the world is the newest addition to our Ten Most Wanted Fugitives list.

Votsi is also named as a [director of companies](#) owned by [sanctioned](#) Dagestani-Russian oligarch [Suleiman Kerimov](#), and is named in filings for numerous other sanctioned entities including [Gurbax Holdings Limited](#) linked to [Alexander Lebedev](#), and [Delesius Investments](#), linked to [Alisher Usmanov](#). In 2020, Vassiliades was described as "*probably the law firm that has had the closest ties to the Kremlin*", per a [report](#) published by Sofia-based think-tank The Center for the Study of Democracy. In March 2022, the [Financial Times](#) penned a report detailing the "opaque ownership structures" of the assets of sanctioned Russian oligarchs, noting further ties back to Votsi and Vassiliades. The law firm claimed to the FT that "*There is no substance to the innuendo that our firm has the closest ties to the Kremlin...*"

However, in August 2023, Vassiliades was placed on the [OFAC](#) and [UK sanctions lists](#) for having "*knowingly assisted sanctioned Russia oligarchs to hide their assets in complex financial networks.*" In October 2023, Russia itself [reportedly issued](#) an arrest warrant for Vassiliades on allegations of "*large scale money laundering.*"

### **Deal 3: September 2019, Kaspi Buys Digital Classifieds from CEO Lomtadze for 84x Revenues**

In September 2019, Kaspi purchased 3 Azerbaijani classifieds ads websites from Kaspi CEO Mikheil Lomtadze in a series of offshore transactions. Kaspi [framed the acquisition](#) as an expansion of "*our addressable market from 18 million people in Kazakhstan to 28 million people by entering into Azerbaijan...*" yet over the ensuing years, Kaspi's Azerbaijan revenues remain miniscule at just \$8 million, or 0.2% of total 2023 revenues. In our view, the deal again raises governance concerns while showcasing the Kaspi's inability to expand substantially outside of Kazakhstan, where it has historically had a cozy relationship with the kleptocratic regime.

Kaspi acquired the websites from “Digital Classifieds OU” (“DCOU”), an Estonian entity registered in November 2016. According to its corporate filings, DCOU had no other operations except for these websites. DCOU reported just \$14,058 in revenues and a net loss of \$92 in 2017.

In April 2018, St. Kitts-based Green Hill Capital LLC and Nevis-based Orange Hill Capital LLC acquired ownership of the sites. St. Kitts and Nevis [are widely known as](#) secretive Caribbean tax havens. Estonian filings list Emin Hasanov and Ilgar Majidov as representatives of the two entities, and also reveal that Hasanov and Majidov completed the transfer with a contribution of a handful of MacBook Pro laptops worth 2,500 euro:

1. Vastavalt 11.04.2018 toimunud osanike koosolekul vastuvõetud otsusele Green Hill Capital LLC ja Orange Hill Capital LLC annavad üle ning Digital Classifieds OÜ võtab vastu mitterahalise sissemaks, milleks on järgnevatabelis olevad asjad:

Hinnatavad asjad	Orienteeruv turuhind
MacBook Pro 13" A1708	700 EUR
MacBook Pro 15	500 EUR
Macbook Pro 13	300 EUR
MacBook Pro 15	500 EUR
MacBook Pro 15	500 EUR
Kokku väärtuses:	2 500 (kaks tuhat viissada) eurot

2. Asjade kumitterahalise sissemaks väärtusmääras Digital Classifieds OÜ juhatuse, mille kohta on koostatud akt. Asjade hindaja hinnangu kohaselt vastab asjade väärtus käesolevas lepingus toodud väärtusele (2 500 eurot).

3. Green Hill Capital LLC ja Orange Hill Capital LLC esindajad kinnitavad käesoleva lepingu allakirjutamisega, et mitterahaliseks sissemaksiks olevad asjad kuuluvad nende omandiõiguse alusel ning et mitterahalisele sissemaksile ei laiene kellegi kolmanda isiku õigused.

4. Käesoleva lepingu punktis nr 1. loetletud asjad kantakse Digital Classifieds OÜ põhivahendite nimekirja.

5. Käesolev leping jõustub selle allakirjutamisel ja mitterahalise sissemaks objektiks olevad asjad antakse osahingule üle koheselt peale käesoleva lepingu allakirjutamist /

Andis üle:

Võttis vastu:

Green Hill Capital LLC  
Emin Hasanov

Digital Classifieds OÜ  
Emin Hasanov

Orange Hill Capital LLC  
Ilgar Majidov

1. According to the decision made at the shareholders' meeting on 11.04.2018, Green Hill Capital LLC and Orange Hill Capital LLC are providing and Digital Classifieds OÜ is accepting a non-monetary contribution, consisting of the items listed in the table below:

Valuables	Estimated Market Price
MacBook Pro 13" A1708	700 EUR
MacBook Pro 15	500 EUR
MacBook Pro 13	300 EUR
MacBook Pro 15	500 EUR
MacBook Pro 15	500 EUR
<b>Total value</b>	<b>2,500 EUR</b> (two thousand five hundred euros)

2. The value of the items provided as a non-monetary contribution has been assessed by the management of Digital Classifieds OÜ, and a statement has been made to confirm this. According to the evaluator's assessment, the value of the items matches the amount specified in this agreement (2,500 euros).

3. The representatives of Green Hill Capital LLC and Orange Hill Capital LLC confirm by signing this agreement that the items provided as a non-monetary contribution belong to them by ownership rights, and no third party has any rights to these items.

4. The items listed in section 1 of this agreement will be recorded in the fixed asset list of Digital Classifieds OÜ.

5. This agreement comes into effect upon signing, and the items provided as a non-monetary contribution will be transferred to the company immediately after signing.

Delivered by:

Green Hill Capital LLC  
Emin Hasanov

Received by:

Digital Classifieds OÜ  
Emin Hasanov

In June 2018, just two months later, the company was purchased by British Virgin Islands-based Blue Ocean Partners Ltd. for an undisclosed amount. Blue Ocean filings reveal that it is controlled by Kaspi CEO Lomtadze. Moreover, [Kaspi's Chief Information Officer since 2007](#),<sup>12</sup> Mamuka Kirvalidze, also [claimed to be the CEO](#) of Digital Classifieds since July 2018, a year prior to Kaspi's acquisition. Corporate filings don't appear to disclose any purchase price, but Digital Classified's year-end 2018 report discloses Blue Ocean Partners as the only partner, with holdings of 2,500 euro – the same value assigned to the MacBook computers:

## Partners

Name / business name	Personal code / register code / date of birth	Residence / Location	Size of holding and currency
<b>BLUE OCEAN PARTNERS LTD</b>		<b>British Virgin Islands</b>	<b>2500 EUR</b> (Common property)

<sup>12</sup> Page 109

In September 2019, Kaspi [purchased](#) Digital Classifieds for \$31 million in cash, representing 84x prior year revenues. Kaspi disclosed the acquisition as a related party transaction and claimed that the deal was approved by “*dis-interested members of the Company’s board of directors*” yet this seems like an empty reassurance, given that Kaspi’s board at the time consisted of just six people, two of whom ([Alina Prawdzik](#) and [Szymon Gutkowski](#)) had been appointed just a few months earlier.

#### **Deal 4: August 2015, Kim Buys Alseco, Critical to Kaspi Bill Pay, yet Undisclosed in SEC Filings**

We believe Kaspi’s transformation from a typical retail bank into Kazakhstan’s largest fintech owes in large part to the Company’s relationship with ALSECO JSC (“Alseco”), which Chairman Kim purchased in 2015, yet remains undisclosed in all of Kaspi’s SEC filings, leaving us with yet another set of related party questions.

Alseco is known in Kazakhstan for digitizing, automating, and consolidating utility bills (power, water, gas, and phone). In 2015, Kaspi Chairman Vyacheslav Kim and CEO Mikhail Lomtadze [reportedly acquired](#) 90% of Alseco for an undisclosed sum. Alseco’s 2015 filings disclosed Kim as the owner of 90% of shares, and Alseco founder Oleg Vlasov as the remaining 10% owner; it is unclear to us if Kim acted as a proxy for Lomtadze.

По состоянию на 31 декабря 2015 года акционерами Компании являлись физические лица: Ким Вячеслав Константинович (90% от общего числа акции Компании) и Власов Олег Александрович (10%).

*"As of December 31, 2015, the shareholders of the Company were individuals: Kim Vyacheslav Konstantinovich (90% of the total number of Company shares) and Vlasov Oleg Aleksandrovich (10%)."*

Filings reveal that 75% of Kim’s purchase of Alseco was from resources and real estate oligarch Kairat Boranbayev and a Swiss-registered entity Global Conformity AG.

- Boranbayev was part of the dictator Nursultan Nazarbayev’s [inner circle](#): his daughter married Nazarbayev’s grandson in 2013, while he was also reportedly a partner in [corrupt business](#) dealings with the dictator’s son-in-law.<sup>13</sup> In March 2022, [Boranbayev was arrested](#) on charges of embezzling quasi-public-sector funds. In March 2023, he was sentenced to [eight years in prison](#) for corruption and has so far [forfeited](#) at least \$195 million in assets to the state.
- Global Conformity AG, equal owner of the stake sold to Kim, is [registered in Switzerland](#) and represented by nominee director [Kay Hofmann](#), self-described “entrepreneur and bon vivant.”<sup>14</sup> He is owner and chairman of corporate services company [Intrust AG](#), which markets “*wealth management services to international clients.*” Global Conformity’s ultimate beneficiaries aren’t disclosed in Swiss filings, while Kazakh filings note that this non-disclosure runs in contravention of IAS accounting.<sup>15</sup>

In addition to Kim’s controlling stake, Kaspi’s Deputy Chairman [Yuri Didenko](#) is [reported to have been](#) Chairman of Alseco since 2015. Didenko was also a director at Baring Vostok, one of Kaspi’s earliest backers and a current major shareholder. He also served as director on [Estonia-registered entities](#) Digital Classifieds and Blue Ocean One, which – as demonstrated in our research into Kaspi’s separate deals above – were ostensibly owned by Kaspi CEO Lomtadze.

Alseco now works with Kaspi and at [least 8 other banks](#) to allow users to access and pay bills in a single interface. Alseco also provides data management for Kazakh tax agencies and debt collectors, and has [claimed that](#) its

<sup>13</sup> [Kanye West](#) was reportedly paid \$3 million to perform at the wedding, and subsequently came under fire for performing for the family of an autocrat linked to serious human rights violations.

<sup>14</sup> Search: “Global Conformity AG”, corporate registration number CHE-110.469.511

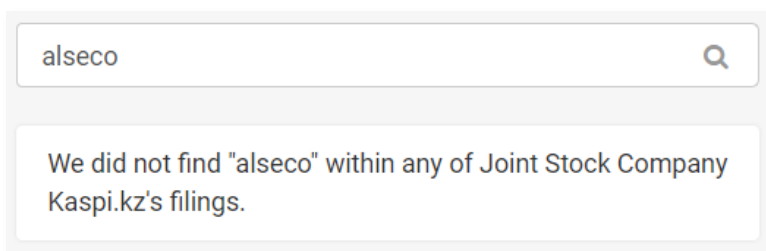
<sup>15</sup> The real estate holding company jointly held by Kairat Boranbayev and Global Conformity AG was called AATD LLP (TOO AATД)

working with the Kazakh government “would not have been possible” without the participation of “pioneer banks” including Kaspi.



Meanwhile, Kaspi’s bill payments have become a critical piece of its business; Kaspi even promotes it as “our main customer acquisition tool” and “fundamental for high levels of customer engagement.”<sup>16</sup> Bill pay is also the second-most utilized Kaspi offering, at 83% of MAUs.

Yet despite these multiple entanglements, Kaspi never discloses Alseco as a related party in its SEC filings, or even mentions the group once.



### The Andrey Derkunskiy Saga: Imprisoned and Dead After Making Allegations Against Kim

The following details the story of Andrey Derkunskiy – one of Kaspi’s early legal advisors, board members, and shareholders – who was charged with extortion, imprisoned, and found dead in his prison cell after alleging both that Kaspi Chairman Kim owed him money for his Kaspi shares, and that Kairat Satybaldy was in fact the true beneficial owner of Chairman Kim’s stake in Kaspi.

In 2005, Derkunskiy held a 7.2% stake in the original Bank Caspian, but by 2006, he disappeared from the register. Years later, in June 2012, Derkunskiy was arrested and ruled by Kazakhstan’s financial police to have conspired to extort and blackmail Kaspi Chairman Kim, by threatening to call on Russian gangsters to recover \$5.8 million that Kim owed to Derkunskiy, allegedly in connection with Kim’s acquisition of his stake in Kaspi from shareholders including Derkunskiy.<sup>17</sup> Those allegations never appear to have been further investigated. In a jailhouse interview before Derkunskiy’s trial, he alleged further that Kim – while at Kaspi – had fraudulently obtained loans from the bank and used those loans to amass an even bigger stake in the Company:

*“Kim really bought the shares of “Kaspiiskiy” bank (Bank Caspian) with funds received from the same bank in the form of a loan. The scheme is simple. At that time, Kim was on the board of directors of the*

<sup>16</sup> See IPO prospectus filed January 19, 2024, page 166.

<sup>17</sup> The other two men initially charged in the conspiracy with Derkunskiy were Vladimir Tsoy, reportedly Kim’s financial adviser between 1998-2009, and Alex Scherba, founder of TOO Fantasiya. Which owned 6.5% stake in Bank Caspian as of December 31<sup>st</sup>, 2003 and which was reportedly sold to Kim between 2003-2005.




*Caspian Bank. He arranged loans from the said bank to his affiliated companies and individuals with relatives and other relations ... Later, by changing places between his companies through fake sales, service and other contracts, he bought and processed the shares of Caspian Bank with the funds. Later, he collected the shares he received in this way and gained the status of a major participant..."*

In September 2013, Derkunskiy was put on trial. In his closing address, which is [still on YouTube](#), Derkunskiy further called out Kairat Satybaldy – the nephew of Kazakhstan’s now fallen dictator Nazarbayev – as an undisclosed shareholder of Kaspi, claiming that Kim’s stake truly belonged to Satybaldy. In his words (at 20:50):


*“The point is that the 30% stake doesn’t belong to him [Chairman Vyacheslav Kim]. And those shares which he [Kim] seized from me belong to Kairat Satybaldy. And now Kim wanted to make me clash with the president’s family and he himself stay out of it. And this is the true rationale for this criminal case and there is nothing else.”*

Nevertheless, in October 2013, Derkunskiy was sentenced to [8 years imprisonment](#) in a penal colony and confiscation of property. An appellate court [upheld the sentence](#) 15 months later, and the morning following that ruling, Derkunskiy was found hanging from a pipe in his cell. Authorities [ruled his death a suicide](#), but Derkunskiy’s cellmate later contacted journalists claiming he had been murdered by two other inmates with help from prison authorities. He later recanted his statements.



**OPEN DIALOG**


**Human rights violation  
in the Republic of Kazakhstan**



**The case of Andrey Derkunskiy: a witness has testified about the assassination of the lawyer in a Kazakh prison**

*In Kazakhstan, not only is the right to a fair trial not guaranteed, but the adequate treatment of detainees and prisoners in jails is also not observed.*

**Appendix 1.** The photos, sent by the witness of the assassination of Andrey Derkunskiy, Daniar Toledinov to journalist Tokbergen Abiyev



Source: [Open Dialogue Foundation](#)

Three years after Derkunskiy’s death, his allegations would begin to bear more weight. While Kaspi Chairman Kim had earlier [referred to Satybaldy](#) as “a longtime friend and partner”, Satybaldy was only ever first [publicly disclosed](#) as a shareholder of Kaspi in November 2015 – more than 18 months after the Respublika and Open

Dialog Foundation reports. By year-end 2016, his stake had grown to 30% of the Company, [according to filings](#) – exactly the amount that Kim’s dead accuser had alleged.<sup>18</sup>

По состоянию на 31 декабря 2016 и 2015 гг. структура акционеров представлена в таблице.

Акционер:	31 декабря 2016 г.		31 декабря 2015 г.	
	простые акции %	привилегированные акции %	простые акции %	привилегированные акции %
АО «Каспи»	100.00	100.00	100.00	100.00
<b>Итого</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
			31 декабря 2016 г.	31 декабря 2015 г.
<b>Конечные акционеры:</b>				
Фонды Baring Vostok			30.57	47.77
Сатыбалдылы Кайрат			30.00	9.98
Kim Вячеслав Константинович			21.43	32.27
Ломтадзе Михаил Нугзарович			9.98	9.98
<b>Итого</b>			<b>100.00</b>	<b>100.00</b>

Despite Kaspi filings showing Satybaldy held a 30% stake in the Company at year-end 2016, in 2018 – just ahead of Kaspi’s announced London IPO – Satybaldy sold his entire stake in the Company. Kaspi’s interim shareholder extracts from [July 2018](#) and [October 2018](#) reveal that most of Satybaldy’s stake appears to have initially been transferred to Kim.<sup>19</sup> By the end of 2018 those shares [had been redistributed](#), with Kim appearing to take roughly one-third of Satybaldy’s stake while the remaining two-thirds was transferred to Kaspi CEO Lomtadze. Kaspi’s [2020 prospectus](#), issued ahead of the London IPO, would later explain that Kim had initially purchased Satybaldy’s shares via a buy-back program and then transferred two-thirds of that stake to Lomtadze for an unspecified “non-cash consideration”.

When explaining his decision, Satybaldy [told journalists](#) that, “I acquired a stake in Kaspi.kz in 2015 and it has become one of my most successful financial investments...My investment strategy is to invest for 3 years on average.” However, this explanation makes little sense to us for two reasons.

- First, Kaspi [announced its plans](#) to IPO in London just 6 weeks after Satybaldy’s transactions. When Kaspi went onto IPO, it was valued [at \\$6.5 billion](#), over 4x the price that Satybaldy had reportedly received. Kaspi’s current valuation following its US-based listing is now over \$22 billion, or over 14x his earlier sale prices to Kim. This would make him the richest man in Kazakhstan.<sup>20</sup>

<sup>18</sup> The previous month in October 2015, Kim and Baring Vostok had [transferred their ownership](#) of Kaspi from a Netherlands-based entity, Caspian Group B.V., to Kazakhstan-based Kaspi Group. It is not clear from Dutch corporate filings prior to October 2015 whether Satybaldy may have held a stake directly or via a proxy in Caspian Group B.V. or its parent companies – as [alleged](#) in the Open Dialog Foundation report. Caspian Group B.V., Overseas Capital B.V. and Caspian Holding B.V. were [set up as SPVs](#) to carry out the acquisition of Caspian Bank (Kaspi) in 2006. Kim and Baring Vostok are [named in media reports](#) as the owners. But it is not mandatory to register a full shareholder list of companies at the [Netherlands KVK](#) business register. Separately, in February 2016, Satybaldy [formed an agreement](#) with Baring Vostok – Kaspi’s largest shareholder at that time – to invest in his newly created investment vehicle, Alatau Capital Invest. One of Alatau Capital Invest’s investments included a 3.4% stake of state-operated [Kazakhtelecom](#), one of the companies whose funds Satybaldy was convicted of [embezzling](#). There is no indication Satybaldy used Baring Vostok funds for the acquisition.

<sup>19</sup> The percentage stakes are based on a calculation of total outstanding shares including common and preferred shares. Shareholdings in year-end filings are mostly expressed as a percentage of common shares.

<sup>20</sup> See Forbes’s [real-time rich list](#).



- Second, Satybaldy's claims of 3-year hold periods also clash with recent [media reports](#) suggesting that Satybaldy has held a stake in Kazakhtelecom from 2018 to 2024 – a stake he has now surrendered to the state in connection with his corruption charges.

In light of these otherwise perplexing circumstances, experts speculated that Satybaldy had not truly stepped away from Kaspi, but merely concealed his ownership ahead of Kaspi's London IPO in order to make the offering more palatable to investors. For example, London's policy institute Chatham House [told Forbes](#) that, "If Satybaldy's name had been on the ownership, red flags would have alerted any financial institution interested in the listing."

Kazakhstan-based Dosym Satpayev, a consultant for Risk Assessment Group, was also quoted as speculating that Satybaldy's sale could have come with a buyback clause. For its part, [Kaspi continues to deny](#) that Satybaldy has any control over the Company or that he is being represented by proxies.

### **Even If You Ignore the Admitted Money Laundering By a Former 30% Shareholder, Blatant Disregard for US Disclosure Standards, Numerous Undisclosed Relationships with Russian Businesses, Continued Use of a Moscow-Based Bank Amid Ongoing Money Laundering Investigations, Mounting Sanctions Risks, History of Self-Dealing, Shadowy Deals with Bad Actors, Related Party Concerns, and Shareholder Irregularities, Kaspi Isn't Even a Cheap Stock**

US-based investors have been attracted to Kaspi's headline valuation multiples that appear cheap at first glance, but we view Kaspi as wildly overvalued, even prior to our numerous governance and disclosure concerns. Consider Kazakhstan's macroeconomic backdrop: [GDP per capita](#) is just \$13,137, inflation has [run rampant](#) – 8.4% in August 2024, and as high as 21.3% in 2023 – and federal rates over 14%. Kazakhstan has also been subject to internet shutdowns in the wake of [violent protests](#), and commodity shocks as the nation's economy relies heavily on oil and uranium. Kaspi's two largest banking peers in Kazakhstan, Halyk Bank and CenterCredit, trade at a mere 3.2x earnings and 2.3x earnings, respectively. Halyk meanwhile, is over twice the size of Kaspi, by assets, and has been building out a Super App of its own which over the past 3 years has grown from 3.3 million to 8.5 million MAUs, and [offers an expanding suite](#) of services spanning auto insurance (launched March 2020), Travel (September 2020), Marketplace (December 2020), investment accounts, and more.

Outside of Kazakhstan, we also find Kaspi meaningfully overvalued versus other Super App companies, many of which arguably possess more stable governance regimes or more attractive growth prospects.

