JSC Halyk Bank

Consolidated Financial Statements
and Independent Auditors' Report
For the Year Ended 31 December 2024

JSC Halyk Bank

Table of contents

JSC Halyk Bank

Statement of Management's Responsibilities for the Preparation and Approval of the Consolidated Financial Statement for the Year ended 31 December 2024

Management of JSC Halyk Bank is responsible for the preparation of the consolidated financial statements that present fairly the financial position of JSC Halyk Bank (the "Bank") and its subsidiaries (collectively – the "Group") as at 31 December 2024, the related consolidated statement of profit or loss, comprehensive income for the year then ended, changes in equity and cash flows for the year then ended, and of material accounting policies and notes to the consolidated financial statements (the "consolidated financial statements") in compliance with International Financial Reporting Standards ("IFRS Accounting Standards").

In preparing the consolidated financial statements, management is responsible for:

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

Management is also responsible for:

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

The consolidated financial statements of the Group for the year ended 31 December 2024 were approved by the Management Board on 12 March 2025.

On behalf of the Management Board:

Umut B. Shayakhmetova	**Dana S. Talzhanova**
Chairperson of the Board	**Chief Accountant**
12 March 2025	12 March 2025
Almaty, Kazakhstan	Almaty, Kazakhstan

Deloitte LLP
36 Al Farabi Avenue
Almaty, 050059
Republic of Kazakhstan

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of JSC Halyk Bank

Opinion

We have audited the consolidated financial statements of JSC Halyk Bank and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Kazakhstan, and we have fulfilled our other ethical responsibilities in accordance with these 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 Matters

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

Why the matter was determined to be a key audit matter?	How the matter was addressed in the audit?
Individual assessment of the expected credit losses on loans to customers	
Stage 3 loans to customers which are subject to individual impairment assessment with operating cash flows used in estimation of expected credit losses. The measurement of ECL on individually significant credit-impaired loans is based on the estimation of future cash flows under different scenarios. Due to complexity and subjectivity of management's judgements in estimation of future cash flows from operating activities of borrowers and calculation of the allowance for expected credit losses for such loans, we identified the individual assessment of ECL for credit-impaired loans as a key audit matter. Refer to Notes 4, 11 and 33 to the consolidated financial statements for the description of impairment indicators on individually significant loans and disclosure of gross carrying amounts and related allowances for such loans.	We obtained an understanding of the loan origination. We assessed the Group's definitions of significant increase in credit risk and credit-impairment for assessment of individual loans' ECL. We also evaluated the design and implementation of controls related to individual assessment of the ECL on loans to customers. For a sample of loans identified as stage 1, we performed a detailed credit review and challenged the Group's analysis of whether there was a significant increase in credit risk (stage 2) or default (stage 3). In order to evaluate whether the loans have been appropriately classified to the respective stage, we analysed internal credit ratings (scoring), credit risk factors and checked if relevant impairment events, such as delinquency of interest or principal, restructuring events, external information and certain financial performance indicators had been identified on a timely manner. On a sample basis, we re-performed calculations of allowances for ECL for individually significant loans in stage 3, including reviewing the Group's documented credit assessment of the borrowers, challenging assumptions underlying the ECL calculation, such as estimated future cash flows and the fair value of collateral. We evaluated the adequacy and completeness of disclosures in the consolidated financial statements relating to the loans to customers in accordance with IFRS Accounting Standards requirements.

Other Information – Annual Report

Management is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated financial statements and our auditors' report thereon. The Annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of an assurance conclusion thereon.

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

When we read the Annual report, if we conclude that there is a material misstatement there in, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Roman Sattarov
Engagement Partner
Qualified Auditor
Republic of Kazakhstan
Qualification certificate
No. MF-0000149
dated 31 May 2013

Zhangir Zhilysbayev
General Director
Deloitte LLP

State license on auditing in the
Republic of Kazakhstan
No. 0000015,
type MFU-2, issued by the,
Ministry of Finance of the
Republic of Kazakhstan
dated 13 September 2006

12 March 2025
Almaty, Republic of Kazakhstan

JSC Halyk Bank

Consolidated Statement of Financial Position
as at 31 December 2024 and 2023
(millions of Kazakhstani Tenge)

	Notes	31 December 2024	31 December 2023
ASSETS			
Cash and cash equivalents	5	1,473,802	1,377,315
Obligatory reserves	6	306,330	244,866
Financial assets at fair value through profit or loss	7	822,817	589,362
Amounts due from credit institutions	8	156,966	171,754
Financial assets at fair value through other comprehensive income	9	2,924,760	2,425,902
Debt securities at amortised cost, net of allowance for expected credit losses	10	766,937	725,343
Loans to customers	11, 37	11,465,649	9,284,872
Investment property	12	37,822	47,326
Commercial property	13	57,378	74,882
Current income tax assets	21	3,506	7,956
Deferred tax assets	21	418	351
Property and equipment and intangible assets	14	285,299	226,170
Insurance contract assets	16	2,314	10,289
Reinsurance contract assets		38,400	22,776
Other assets	17, 37	197,183	173,662
Total assets before assets classified as held for sale		18,539,581	15,382,826
Assets classified as held for sale	15	8,833	111,542
TOTAL ASSETS		**18,548,414**	**15,494,368**
LIABILITIES AND EQUITY			
LIABILITIES			
Amounts due to customers	18, 37	12,990,043	10,929,504
Amounts due to credit institutions	19	814,069	778,311
Financial liabilities at fair value through profit or loss	7	6,973	4,202
Debt securities issued	20, 37	879,212	653,393
Current income tax liability	21	26,829	946
Deferred tax liability	21	22,024	59,799
Provisions	24	10,964	11,695
Insurance contract liabilities	16	430,320	273,065
Reinsurance contract liabilities		-	5,321
Other liabilities	22	299,931	242,756
Total liabilities before liabilities directly attributable to assets held for sale		15,480,365	12,958,992
Liabilities directly attributable to assets held for sale	15	-	58,422
Total liabilities		**15,480,365**	**13,017,414**
EQUITY			
Share capital	23	209,027	209,027
Share premium reserve		8,769	8,667
Treasury shares	23	(263,625)	(258,514)
Share-based payment reserve		10,000	-
Retained earnings and other reserves		3,103,866	2,517,764
Total equity attributable to owners of the Group		3,068,037	2,476,944
Non-controlling interest		12	10
Total equity		**3,068,049**	**2,476,954**
TOTAL LIABILITIES AND EQUITY		**18,548,414**	**15,494,368**

On behalf of the Management Board:

Umut B. Shayakhmetova
Chairperson of the Board

12 March 2025
Almaty, Kazakhstan

Dana S. Talzhanova
Chief Accountant

12 March 2025
Almaty, Kazakhstan

The accompanying notes are an integral part of these consolidated financial statements.

JSC Halyk Bank

Consolidated Statement of Profit or Loss
for the years ended 31 December 2024 and 2023
(millions of Kazakhstani Tenge)

	Notes	Year ended 31 December 2024	Year ended 31 December 2023
Interest income calculated using the effective interest method	25, 37	2,116,154	1,627,018
Other interest income	25	54,632	42,764
Interest expense	25, 37	(1,062,876)	(872,642)
NET INTEREST INCOME BEFORE CREDIT LOSS EXPENSE	**25**	**1,107,910**	**797,140**
Expected credit loss expense	5, 8, 10, 11, 17	(129,348)	(90,665)
NET INTEREST INCOME		**978,562**	**706,475**
Fee and commission income	26	211,734	200,060
Fee and commission expense	26	(86,450)	(86,347)
Fees and commissions, net		**125,284**	**113,713**
Net gain on financial assets and liabilities at fair value through profit or loss	27	104,369	72,594
Net realised gain/(loss) from financial assets at fair value through other comprehensive income		2,503	(4,055)
Net foreign exchange gain	28	110,043	90,114
Insurance revenue	29	259,923	239,189
Share in profit of associate	37	15,526	13,593
Income on non-banking activities	31	24,419	23,582
OTHER NON-INTEREST INCOME		**516,783**	**435,017**
Operating expenses	30, 37	(264,510)	(216,888)
Reversal of impairment of non-financial assets		1,137	483
Recovery of other credit loss expense	24	876	1,563
Loss from impairment of assets held for sales	15	(60)	(3,781)
Insurance service expense	29	(148,200)	(117,023)
Financial expenses from insurance contracts issued		(26,266)	(14,824)
Net reinsurance expense		(35,525)	(55,077)
Other expense, net		(46,188)	(34,884)
NON-INTEREST EXPENSES		**(518,736)**	**(440,431)**
PROFIT FOR THE YEAR BEFORE TAX		**1,101,893**	**814,774**
Income tax expense	21	(180,902)	(121,338)
NET INCOME		**920,991**	**693,436**
Attributable to:			
Non-controlling interest		3	1
Common shareholders		920,988	693,435
		920,991	**693,436**
EARNINGS PER SHARE			
(in Kazakhstani Tenge)			
Basic and diluted earnings per share	32	84.50	63.65

On behalf of the Management Board:

Umut B. Shayakhmetova
Chairperson of the Board

12 March 2025
Almaty, Kazakhstan

Dana S. Talzhanova
Chief Accountant

12 March 2025
Almaty, Kazakhstan

The accompanying notes are an integral part of these consolidated financial statements.

JSC Halyk Bank

Consolidated Statement of Other Comprehensive Income
as at 31 December 2024 and 2023
(millions of Kazakhstani Tenge)

	Year ended 31 December 2024	Year ended 31 December 2023
Net income	**920,991**	**693,436**
Other comprehensive income:		
Items that will not be subsequently reclassified to profit or loss:		
Gain/(loss) resulting on revaluation of property and equipment (2024 and 2023 – net of tax – KZT 3,559 million and KZT 2 million, respectively)amei	14,152	(13)
Loss on revaluation of equity financial assets at fair value through other comprehensive income	(221)	(202)
Items that may be subsequently reclassified to profit or loss:		
Gainon revaluation of debt financial assets at fair value through other comprehensive income, including impaired during the period (2024 and 2023 – net of tax – KZT 1,195 million and KZT 811 million, respectively)	25,730	48,308
Reclassification adjustment relating to financial assets at fair value through other comprehensive income disposed of in the period (2024 and 2023 - net of tax – KZT nil)	(2,503)	4,055
Share of other comprehensive (loss)/income of associate on revaluation of debt financial assets at fair value through other comprehensive income	(989)	1,189
Share of other comprehensive income of associate on revaluation of property and equipment	-	24
Foreign exchange differences on translation of foreign operation	8,639	(8,283)
Other comprehensive income for the year	44,808	45,078
Total comprehensive income for the year	**965,799**	**738,514**
Attributable to:		
Non-controlling interest	3	1
Common shareholders	965,796	738,513
	965,799	**738,514**

On behalf of the Management Board:

Umut B. Shayakhmetova
Chairperson of the Board

12 March 2025
Almaty, Kazakhstan

Dana S. Talzhanova
Chief Accountant

12 March 2025
Almaty, Kazakhstan

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity
for the years ended 31 December 2024 and 2023
(Millions of Kazakhstani Tenge)

	Share capital Common shares	Share premium reserve	Treasury common shares	Provision for share-based payments	Cumulative translation reserve*	Revaluation reserve of financial assets at fair value through other comprehensive income*	Property revaluation reserve*	Retained earnings*	Total equity	Non-controlling interest	Total equity
31 December 2023	**209,027**	**8,667**	**(258,514)**	**-**	**3,459**	**(25,299)**	**41,125**	**2,498,479**	**2,476,944**	**10**	**2,476,954**
Net income	-	-	-	-	-	-	-	920,988	920,988	3	920,991
Other comprehensive income/(loss)	-	-	-	-	8,639	22,018	14,152	-	44,809	(1)	44,808
Total comprehensive income	**-**	**-**	**-**	**-**	**8,639**	**22,018**	**14,152**	**920,988**	**965,797**	**2**	**965,799**
Treasury shares purchased (Note 23)	-	(99)	(6,445)	-	-	-	-	-	(6,544)	-	(6,544)
Treasury shares sold (Note 23)	-	201	1,334	-	-	-	-	-	1,535	-	1,535
Dividends – common shares (Note 23)	-	-	-	-	-	-	-	(381,434)	(381,434)	-	(381,434)
Accrued stock options	-	-	-	10,000	-	-	-	-	10,000	-	10,000
Release of property and equipment revaluation reserve on depreciation and disposal of previously revalued assets	-	-	-	-	-	-	(1,901)	1,901	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	(796)	2,535	1,739	-	1,739
31 December 2024	**209,027**	**8,769**	**(263,625)**	**10,000**	**12,098**	**(3,281)**	**52,580**	**3,042,469**	**3,068,037**	**12**	**3,068,049**

* These amounts are included within Retained earnings and other reserves in the consolidated statement of financial position.

JSC Halyk Bank

Consolidated Statement of Changes in Equity (continued)
for the years ended 31 December 2024 and 2023
(Millions of Kazakhstani Tenge)

	Share capital Common shares	Share premium reserve	Treasury common shares	Cumulative translation reserve*	Revaluation reserve of financial assets at fair value through other comprehensive income*	Property revaluation reserve*	Retained earnings*	Total equity	Non-controlling interest	Total equity
31 December 2022	**209,027**	**7,966**	**(260,535)**	**11,742**	**(78,649)**	**43,309**	**2,079,373**	**2,012,233**	**9**	**2,012,242**
Net income		-	-	-	-	-	693,435	693,435	1	693,436
Other comprehensive (loss)/income		-	-	(8,283)	53,350	11	-	45,078	-	45,078
Total comprehensive (loss)/income		**-**	**-**	**(8,283)**	**53,350**	**11**	**693,435**	**738,513**	**1**	**738,514**
Treasury shares purchased (Note 23)	-	-	(1,509)	-	-	-	-	(1,509)	-	(1,509)
Treasury shares sold (Note 23)	-	701	3,530	-	-	-	-	4,231	-	4,231
Dividends – common shares (Note 23)	-	-	-	-	-	-	(276,524)	(276,524)	-	(276,524)
Release of property and equipment revaluation reserve on depreciation and disposal of previously revalued assets	-	-	-	-	-	(2,195)	2,195	-	-	-
31 December 2023	**209,027**	**8,667**	**(258,514)**	**3,459**	**(25,299)**	**41,125**	**2,498,479**	**2,476,944**	**10**	**2,476,954**

* These amounts are included within Retained earnings and other reserves in the consolidated statement of financial position.

On behalf of the Management Board:

Umut B. Shayakhmetova
Chairperson of the Board

12 March 2024
Almaty, Kazakhstan

Dana S. Talzhanova
Chief Accountant

12 March 2024
Almaty, Kazakhstan

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows
For the years ended 31 December 2024 and 2023
(Millions of Kazakhstani Tenge)

	Year ended 31 December 2024	Year ended 31 December 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Interest received from financial assets at fair value through profit or loss	36,884	27,602
Interest received from cash and cash equivalents and amounts due from credit institutions	173,897	49,906
Interest received on financial assets at fair value through other comprehensive income	166,244	126,082
Interest received on debt securities at amortised cost, net of allowance for expected credit losses	52,341	76,747
Interest received from loans to customers	1,586,960	1,318,173
Interest paid on amounts due to customers	(930,565)	(713,167)
Interest paid on amounts due to credit institutions	(46,703)	(45,285)
Interest paid on debt securities issued	(32,694)	(32,542)
Interest paid on deposit insurance	(15,054)	(13,357)
Fee and commission received	210,399	199,058
Fee and commission paid	(83,782)	(85,529)
Insurance revenue	234,010	266,536
Ceded reinsurance share paid	(35,525)	(55,638)
Receipts from financial derivatives	37,459	28,831
Other expense paid	(21,770)	(11,302)
Operating expenses paid	(217,778)	(192,094)
Insurance service expense	(138,126)	(147,601)
Financial expenses from insurance contracts issued	(26,266)	(14,824)
Cash flows from operating activities before changes in net operating assets	**949,931**	**781,596**
Changes in operating assets and liabilities:		
Decrease/(increase) in operating assets:		
Obligatory reserves	(61,464)	14,678
Financial assets at fair value through profit or loss	(152,404)	(81,550)
Amounts due from credit institutions	59,524	(41,711)
Loans to customers	(1,991,575)	(1,552,968)
Assets classified as held for sale	4,182	2,130
Insurance contract assets	18,264	(33,509)
Other assets	23,630	9,378
Increase/(decrease) in operating liabilities:		
Amounts due to customers	1,763,948	531,724
Amounts due to credit institutions	(213,861)	(87,520)
Financial liabilities at fair value through profit or loss	2,771	(6,426)
Insurance contract liabilities	141,860	84,506
Other liabilities	26,308	47,121
Net cash inflow/(outflow) from operating activities before income tax	**571,114**	**(332,551)**
Income tax paid	(193,165)	(153,512)
Net cash inflow/(outflow) from operating activities	**377,949**	**(486,063)**

JSC Halyk Bank

Consolidated Statement of Cash Flows (continued)
For the years ended 31 December 2023 and 2022
(Millions of Kazakhstani Tenge)

	Notes	Year ended 31 December 2024	Year ended 31 December 2023
CASH FLOWS FROM INVESTING ACTIVITIES:			
Disposal of subsidiaries		(33,559)	-
Purchase and prepayments for property and equipment and intangible assets		(66,884)	(44,845)
Proceeds on sale of property and equipment and intangible assets		211	77
Proceeds on sale of investment property		4,942	3,396
Proceeds on sale of commercial property		17,265	8,978
Proceeds from sale of financial assets at fair value through other comprehensive income		535,270	653,043
Purchase of financial assets at fair value through other comprehensive income		(735,186)	(898,450)
Proceeds from sale of debt securities at amortised cost, net of allowance for expected credit losses		206,895	289,170
Purchase of debt securities at amortised cost, net of allowance for expected credit losses		(220,392)	(9,343)
Capital expenditures on commercial property	13	(49)	(3,039)
Net cash outflow from investing activities		**(291,487)**	**(1,013)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from syndicated loan		157,533	-
Proceeds on sale of treasury shares		1,535	4,231
Purchase of treasury shares		(6,544)	(1,509)
Dividends paid – common shares	23	(308,595)	(276,524)
Redemption and repayment of debt securities issued	20	(136,155)	(140,705)
Proceeds from issue of debt securities issued	20	294,736	325,696
Repayment of lease liabilities		(3,325)	(2,273)
Net cash outflow from financing activities		**(815)**	**(91,084)**
Effect of changes in foreign exchange rates on cash and cash equivalents		10,840	(73,356)
Net change in cash and cash equivalents		96,487	(651,516)
CASH AND CASH EQUIVALENTS, beginning of the year	5	**1,377,315**	**2,028,831**
CASH AND CASH EQUIVALENTS, end of the year	5	**1,473,802**	**1,377,315**

During the years ended 31 December 2024 and 2023, there were non-cash transfers, which were excluded from the consolidated statement of cash flows and were disclosed in Notes 11, 12, 13, 14, 15 and 21.

On behalf of the Management Board:

Umut B. Shayakhmetova
Chairperson of the Board

12 March 2025
Almaty, Kazakhstan

Dana S. Talzhanova
Chief Accountant

12 March 2025
Almaty, Kazakhstan

The accompanying notes are an integral part of these consolidated financial statements.

1. Principal activities

JSC Halyk Bank (the "Bank") and its subsidiaries (collectively, the "Group") provide corporate and retail banking services principally in Kazakhstan, Georgia and Uzbekistan, leasing services, as well as asset management, insurance and brokerage services in Kazakhstan. The primary state registration of the Bank with the authorities of justice of Kazakhstan was made on 20 January 1994. The Bank operates under license No. 1.2.47/230/38/1 for carrying out banking and other operations and activities on the securities market, renewed by the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market on 23 June 2023. The Bank is a member of the obligatory deposit insurance system provided by the JSC Kazakhstan Deposit Insurance Fund.

The Bank's primary business includes originating loans and guarantees, collecting deposits, trading in securities and foreign currencies, executing transfers, cash and payment card operations, as well as rendering other banking services to its customers. In addition, the Bank acts as a non-exclusive agent of the Government of the Republic of Kazakhstan in channeling various budgetary payments and pensions through its nationwide branch network.

The Bank has a primary listing with the Kazakhstan Stock Exchange ("KASE") and Astana International Exchange. The Bank's Global Depository Receipts ("GDRs") are primary listed on the London Stock Exchange, KASE and Astana International Exchange.

As at 31 December 2024 and 2023, the Group is ultimately controlled by Timur Kulibayev and his wife Dinara Kulibayeva via JSC HG Almex.

As at 31 December 2024, the Bank operated through its head office in Almaty and its 25 regional branches, 119 sub-regional offices and 398 cash settlement units (31 December 2023 – 25, 119, and 426, respectively) located throughout Kazakhstan. The address of the Bank's registered office is: 40 Al-Farabi Avenue, Almaty, A26M3K5, Republic of Kazakhstan.

As at 31 December 2024, the number of the Group's employees was 16,656 (31 December 2023 – 16,833).

The consolidated financial statements of the Group for the year ended 31 December 2024 were authorised for issue by the Management Board on 12 March 2025.

Legal proceedings

From time to time and in the normal course of business, claims against the Group are received from customers and counterparties. Management is of the opinion that no material unaccrued losses will be incurred and accordingly, no provision has been made in these consolidated financial statements.

Operating environment

Kazakhstan is one of a number of emerging economies that are often characterized by high levels of GDP growth, building financial infrastructure, and significant government involvement. At the same time, emerging markets are exposed to political, social, and regulatory risks that are different from those of more developed markets. Kazakhstan is integrated into the world economy, while geographically neighboring large economic markets, thereby occupying the position of the main "transit hub" in the Central Asian region.

Due to the fact that the economy of Kazakhstan is export-oriented, changes in world prices for raw materials have a significant impact on it. In addition to world energy prices, the further development of the Kazakh economy also largely depends on fiscal discipline and the geopolitical situation in the region.

In 2024, the average price of Brent crude oil was around USD 80.7 per barrel. According to the short-term economic indicator, in January-December 2024, the economy of Kazakhstan grew by 4.8% compared to the corresponding period of the previous year. Inflation in December 2024 was 8.6% year-on-year.

In November 2024, the Monetary Policy Committee of the National Bank of the Republic of Kazakhstan decided to raise the base rate to the level of 15.25% per annum with a corridor of +/- 1.0 percentage points. Additionally, at the end of 2024, the national currency weakened by 14.3% against the backdrop of the strengthening of the global dollar index DXY and the introduction of new sanctions against Russia, which affected the ruble exchange rate. These conditions create prerequisites for maintaining a tight monetary policy regime in Kazakhstan.

Management of the Group is monitoring developments in the economic, political, and geopolitical situation and taking measures it considers necessary to support the sustainability and development of the Group's business for the foreseeable future.

On 12 July 2023, the Law of the Republic of Kazakhstan "On the Return of Illegally Acquired Assets to the State" (the "Law") was signed. The Law entered into force on 24 July 2023, with the exception of Articles 7, 12-31, which entered into force on 12 September 2023.

The Asset Recovery Committee of the Prosecutor General's Office of the Republic of Kazakhstan (the "Committee") is the authorised body for asset recovery. The objectives of the Committee are the identification and return of illegally acquired assets, the development of international legal cooperation in this area, the identification and elimination of the causes and conditions that contributed to the illegal concentration of economic resources and the illegal withdrawal of assets, as well as other tasks in accordance with the legislative acts of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan. The Group's management believes that this Law does not have a material impact on the Group's activities, including the Group's loan portfolio.

Ownership

As at 31 December 2024 and 2023, the Group was owned by the following shareholders, which own individually more than 5% of the issued shares of the Group:

31 December 2024

	Total shares (Common shares)	Stake in total shares in circulation
JSC HG Almex	7,583,538,228	69.7%
GDR holders	3,075,090,560	28.3%
Other	221,345,828	2.0%
Total shares in circulation (on consolidated basis)	**10,879,974,616**	**100%**

31 December 2023

	Total shares (Common shares)	Stake in total shares in circulation
JSC HG Almex	7,583,538,228	69.6%
GDR holders	3,109,586,880	28.5%
Other	209,046,483	1.9%
Total shares in circulation (on consolidated basis)	**10,902,171,591**	**100%**

2. Basis of presentation

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS Accounting Standards”) as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements have been prepared assuming that the Group is a going concern, as the Group have the resources to continue in operation for the foreseeable future. In making this assessment, the management have considered a wide range of information in relation to present and future economic conditions, including projections of cash flows, profit, and capital resources.

These consolidated financial statements are presented in millions of Kazakhstani Tenge (“KZT” or “Tenge”), except for earnings per share amounts and unless otherwise indicated.

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are accounted for at fair value and insurance contract liabilities which are accounted at their fulfillment value in accordance with IFRS 17 for based on actuarial calculations and certain property and equipment which are carried at revalued cost less depreciation and impairment as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurement is classified on the basis of a fair value hierarchy (Level 1, 2 or 3). The levels correspond to the possibility of direct determination of fair value based on market data and reflect the significance of the input data used in estimating fair value as a whole:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Group presents its consolidated statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within 12 months after the date of the consolidated statement of financial position (current) and more than 12 months after the date of the consolidated statement of financial position (non-current) is presented in Note 33.

Functional currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Bank is KZT. The presentation currency of the consolidated financial statements is KZT.

(Millions of Kazakhstani Tenge)

Consolidated subsidiaries

These consolidated financial statements include the following subsidiaries:

Subsidiaries	Holding %		Country	Industry
	31 December 2024	31 December 2023		
JSC Halyk-Leasing	100	100	Kazakhstan	Leasing
JSC Kazteleport	100	100	Kazakhstan	Telecommunications
JSC Halyk Finance	100	100	Kazakhstan	Broker and dealer activities
LLC Halyk Collection	100	100	Kazakhstan	Cash collection services
JSC Halyk-Life	100	100	Kazakhstan	Life insurance
JSC Insurance Company Halyk	99.99	99.99	Kazakhstan	General insurance
JSC Halyk Bank Georgia	100	100	Georgia	Banking
JSC Halyk Global Markets	100	100	Kazakhstan	Broker and dealer activities
LLP KUSA Halyk	100	100	Kazakhstan	Management of doubtful and loss assets
LLP Halyk Activ	100	100	Kazakhstan	Management of doubtful and loss assets
LLP Halyk Finservice	100	100	Kazakhstan	Payment card processing and other related services
JSCB Tenge Bank	100	100	Uzbekistan	Banking
JSC "Halyk Lab"	100	-	Kazakhstan	Development, implementation and support of software

On 4 October 2024, the Group received permission from the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market to establish a subsidiary, Halyk Lab LLP.
On 30 October 2024, a subsidiary of Halyk Lab LLP was registered with the Government for Citizens State Corporation. On 6 November 2024, the authorised capital of the subsidiary in the amount of KZT 20 million was formed.

3. Material accounting policies

Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Bank and entities (its subsidiaries) controlled by the Bank and its subsidiaries. Control is achieved when the Bank:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Bank reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Bank has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Bank considers all relevant facts and circumstances in assessing whether or not the Bank's voting rights in an investee are sufficient to give it power, including:

- the size of the Bank's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Bank, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Bank has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Bank obtains control over the subsidiary and ceases when the Bank loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Bank gains control until the date when the Bank ceases to control the subsidiary.

The profit or loss and each component of other comprehensive income are attributed to the owners of the Bank and to any non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Bank and to any non-controlling interests even if this results in any non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full upon consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group. Transactions with non-controlling shareholders are presented as financing activities in the consolidated statement of cash flows.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, unrestricted balances on correspondent accounts and amounts due from credit institutions and reverse repo agreements with original maturities within three months.

Obligatory reserves

Obligatory reserves represent funds in correspondent accounts with the National Banks of Kazakhstan and Georgia and cash which are not available to finance the Group's current operations and, hence, are not considered as part of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

Amounts due from credit institutions

In the normal course of business, the Group maintains current restricted accounts or deposits for various periods of time with other banks. Amounts due from credit institutions with a fixed maturity term are subsequently measured at amortised cost using the effective interest method. Those that do not have fixed maturities are carried at cost. Amounts due from credit institutions are carried net of any allowance for expected credit losses.

Recognition and measurement of financial instruments

Financial assets and financial liabilities are recognised in the group's statement of financial position when the group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets and liabilities are recognised using settlement date accounting. Where regular way purchases of financial instruments will be subsequently measured at fair value, the Group accounts for any change in the fair value of the asset between trade date and settlement date in the same way it accounts for acquired instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are 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) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. The accounting policies for subsequent re-measurement of these items are disclosed in the respective accounting policies set out below.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss ("FVTPL"). Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss.

All recognised financial assets that are within the scope of IFRS 9 Financial Instruments (“IFRS 9”) are required to be subsequently measured at amortised cost or fair value on the basis of the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- *Retention of an asset to obtain the cash flows stipulated by the contract.* This business model suggests financial asset management aims to realize cash flows by receiving principal and interest payments over the life of the financial instrument. Within the framework of this business model, holding a financial asset to maturity is a priority, but early disposal is not prohibited.
- *Retention of an asset with a view for obtaining contractual cash flows and sale of financial assets.* This business model assumes that the management of financial assets is aimed at both obtaining contractual cash flows and sale of financial assets. Within the framework of this business model, the receipt of cash from the sale of a financial asset is a priority, which is characterized by a greater frequency and volume of sales compared to "retention of an asset to obtain the cash flows stipulated by the contract" business model.
- *Retention of an asset for other purposes.* Within the framework of this business model, financial assets can be managed with the following purposes:
  - management with a view to selling cash flows through the sale of financial assets;
  - liquidity management to meet daily funding needs;
  - a portfolio, which management and performance is measured on a fair value basis;
  - a portfolio, which matches the definition of held for trading. Financial assets are deemed to be held for trading if they were acquired mainly with a view to subsequent disposal in the near future (up to 180 days), gaining short-term profit, or represent derivative financial instruments (except for a financial guarantee or derivative financial instrument that was designated as a hedging instrument).

In accordance with IFRS 9, financial assets are classified as follows:

- bank loans classified as assets at amortised cost are contained within the framework of a business model which aims to receive cash flows exclusively for repayment of unpaid interest and principal stipulated by loan agreement and that have contractual cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding;
- balances on correspondent accounts, interbank loans/deposits, repo transactions are classified, as a rule, as assets, estimated at amortised cost, since they are managed within the framework of a business model, which aims to receive cash flows stipulated by the contract, and that have contractual cash flows that are SPPI;
- debt securities may be classified into any of the three classification categories, taking into account the selected business model and compliance with the SPPI criterion;
- equity securities are generally classified as instruments at fair value through profit or loss;
- trading securities and derivatives are classified as financial assets at fair value through profit or loss.

Financial assets or financial liabilities at fair value through profit or loss

Financial assets at FVTPL are:

- Assets with contractual cash flows that are not SPPI; or/and
- Assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- Assets designated at FVTPL using the fair value option.
- Financial liabilities are classified as at fair value through profit or loss where the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets and financial liabilities at fair value through profit or loss are recorded in the consolidated statement of financial position at fair value. Changes in fair value are recorded in net (loss)/gain on financial assets and liabilities at fair value through profit or loss. Interest earned or incurred is accrued in interest income or expense, respectively, according to the terms of the contract, while dividend income is recorded in “Other income” when the right to receive the payment has been established.

Debt instruments at amortised cost or at fair value through other comprehensive income (“FVTOCI”)

The Group assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Group’s business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is performed at the date of initial application of IFRS 9 to determine the classification of a financial asset. The business model is applied retrospectively to all financial assets existing at the date of initial application of IFRS 9. The Group determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument; therefore, the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Group has more than one business model for managing its financial instruments that reflect how the Group manages its financial assets in order to generate cash flows. The Group's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group considers all relevant information available when making the business model assessment. However, this assessment is not performed based on scenarios that the Group does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Group takes into account all relevant evidence available such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- How managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Group determines whether newly recognized financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Group reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current reporting period, the Group has not identified a change in its business models.

When a debt instrument measured at FVTOCI is derecognized, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity. Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

Reclassification of financial assets

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Group's financial assets. Changes in contractual cash flows are considered under the accounting policy on "*Modification and derecognition of financial asset"* described below.

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

Where possible, the Group seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, the loan is no longer considered past due. Management continuously monitors renegotiated loans to ensure that they are performing and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan's original EIR. Renegotiated terms are evidence of impairment for loans assessed for impairment on an individual basis, for which deterioration of the financial position is observed.

The Group renegotiates loans to customers in financial difficulty to maximize collection and minimize the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants. The Group has an established forbearance policy, which applies for corporate and retail lending.

When a financial asset is modified the Group assesses whether this modification results in derecognition. In accordance with the Group's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Group considers qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants.

When a financial asset is modified due to commercial reasons, the Group considers various qualitative factors (change in currency, interest rate, maturity) and on that basis concludes whether old loan should be derecognised and new loan should be recognised at fair value.

In the case where the financial asset is derecognized the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated credit-impaired asset. This applies only in the case where the fair value of the new loan is recognized at a significant discount to its revised par amount because there remains a high risk of default, which has not been reduced by the modification. Please also refer to Note 11 for more details.

Impairment

Calculation of financial assets impairment is carried out taking into account the following factors:

- In order to calculate the ECL, the Bank performs a loan assessment on an individual basis and on a group basis depending on general credit risk features.
- ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.
- Calculations are based on justified and verified information, which may be received without any significant costs or efforts. Calculation of the present value of the expected future cash flows of the secured financial asset reflects the cash flow that may result from foreclosure, less the cost of obtaining and selling collateral, regardless of whether the recovery is probable or not. The allowance is based on the Group's own experience in assessing losses and management assumptions about the level of losses likely to be recognised on assets in each category of a credit risk, based on debt servicing capabilities and borrower's credit track record.
- Impairment for treasury operations (investments in debt securities, reverse repurchase transactions, interbank loans and deposits, correspondent account transactions, accounts receivable under treasury transactions) is calculated taking into account the counterparty's rating, probability of default, duration of a transaction and the extent of loss in case of a default.
- The estimated credit losses for treasury operations are estimated on an individual basis (except for individual claims in the form of receivables).

Financial assets are segmented by stages in accordance with the following approach:

- Stage 1: There is no significant increase in credit risk since recognition of an asset, impairment is recognised as expected losses over the next 12 months;
- Stage 2: Significant increase in credit risk since recognition of an asset, impairment is recognised as expected losses over the life of a financial asset;
- Stage 3: Financial asset is in default or has signs of impairment.

Allowances for expected credit losses

ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- Full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

For more details about staging refer to Notes 5, 8, 10, 11 and 17.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

- For undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Group if the holder of the commitment draws down the loan and the cash flows that the Group expects to receive if the loan is drawn down; and
- For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debtor or any other party.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original effective interest rate ("EIR"), regardless of whether it is measured on an individual basis or a collective basis.

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default, which affects both the measurement of ECLs and the identification of a significant increase in credit risk (Note 4).

For the details of supportable forward-looking information, please refer to Note 33 for more details.

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. In accounting for a transfer of a financial asset that does not qualify for derecognition, the Group does not offset the transferred asset and the associated liability. Income and expense is not offset in the consolidated statement of profit or loss unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- The disappearance of an active market for a security because of financial difficulties; or
- The purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event instead; the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Group considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted, the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default includes signs of the absence of probability of payment and the expiration of the payment term (if 90 days or more are overdue). The decision to use cross-default is based on case-by-case assessment of client's facility conditions such as collateral and materiality of exposure.

Purchased or originated credit-impaired ("POCI") financial assets.

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Group recognises all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in profit or loss. A favorable change for such assets creates an impairment gain (recovery of credit loss expense).

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group has transferred its rights to receive cash flows from the asset, or retained the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; and
- the Group either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial asset is derecognised when it has been transferred and the transfer qualifies for derecognition. A transfer requires that the Group either: (a) transfers the contractual rights to receive the asset's cash flows; or (b) retains the right to the asset's cash flows but assumes a contractual obligation to pay those cash flows to a third party. After a transfer, the Group reassesses the extent to which it has retained the risks and rewards of ownership of the transferred asset. If substantially all the risks and rewards have been retained, the asset remains on the consolidated statement of financial position. If substantially all of the risks and rewards have been transferred, the asset is derecognised. If substantially all the risks and rewards have been neither retained nor transferred, the Group assesses whether or not it has retained control of the asset. If it has not retained control, the asset is derecognised. Where the Group has retained control of the asset, it continues to recognise the asset to the extent of its continuing involvement.

Modification and derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

Taxation

The current income tax expense is calculated in accordance with the regulations of Kazakhstan and other countries where the Group operates.

Deferred tax assets and liabilities are calculated in respect of temporary differences using the balance sheet liability method. Deferred income taxes are provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, except where the deferred income tax arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

A deferred tax asset is recorded only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also charged or credited directly to other comprehensive income or equity.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.
Deferred tax assets and deferred tax liabilities are offset and reported net in the consolidated statement of financial position if:

- The Group has a legally enforceable right to offset current income tax assets against current income tax liabilities; and
- Deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Kazakhstan and other countries where the Group operates also have various operating taxes that are assessed on the Group’s activities. These taxes are recorded as taxes other than income tax.

The Group records a provision for uncertain tax positions if it is probable that the Group will have to make a payment to tax authorities upon their examination of a tax position. This provision is measured at the Group's best estimate of the amount expected to be paid. Provisions are reversed to income in provision for (recovery of) income taxes in the period in which management determines they are no longer required or as determined by statute.

Property and equipment

Property and equipment are carried at cost less accumulated depreciation and any accumulated impairment, except for any buildings and construction which are carried at revalued amount, being the fair value at the date of the revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation of an asset begins when it becomes available for use. Depreciation is calculated using the straight-line method over the following estimated useful lives of the assets:

	Years
Buildings and constructions	20-100
Vehicles	5-7
Computers and banking equipment	5-10
Other	7-10

Depreciation of improvements to leased property is calculated over the useful life of the corresponding leased assets. Maintenance and overhaul expenses are recognised in the consolidated income statement as operating expenses in the period in which they are incurred, unless they meet capitalisation requirements.

The carrying amount of property and equipment is analysed at each reporting date for a possible excess of the recorded amount over their recoverable amount, and if the carrying amount exceeds such estimated recoverable amount, the value of the assets is reduced to recoverable amount. An impairment loss is recognised in the relevant period and included in operating expenses.

Buildings and construction held for use in supply of services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, determined from market-based evidence by appraisal undertaken by professional independent appraisers, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of such buildings and construction is credited to the property revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to the consolidated statement of profit or loss to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of such buildings and construction is charged as an expense to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings and construction is charged to the consolidated statement of profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property revaluation reserve is transferred directly to retained earnings.

Construction in progress is carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such construction in progress is classified to the appropriate categories of property and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Assets held for sale

Non-current assets and the liabilities directly associated with non-current assets are classified as held for sale ("disposal group") if it is highly probable that the net asset's carrying amount will be recovered through a sale transaction rather than through continuing use and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification of an asset as held for sale.

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. If the fair value less costs to sell of an asset held for sale is lower than its carrying amount, an impairment loss is recognised in profit or loss. Any subsequent increase in an asset's fair value less costs to sell is recognised to the extent of the cumulative impairment loss that was previously recognised in profit or loss in relation to that specific asset.

Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the year in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year in which the property is derecognised.

Commercial property

In certain circumstances, the Group may foreclose commercial properties as part of the settlement of loan agreements with customers. The Group intends to sell these properties in the normal course of business and therefore these are initially measured at fair value including transaction costs and subsequently measured at the lower of cost or net realisable value. Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the commercial property is expected to be realised for. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the year to the extent that such events confirm conditions existing at the end of the year.

Amounts due to customers and credit institutions

Amounts due to customers and credit institutions are initially recognised at the fair value of the consideration received, less directly attributable transaction costs. Subsequently, amounts due are stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method. If the Group purchases its own debt, it is removed from the consolidated statement of financial position and the difference between the carrying amount of the liability and the consideration paid is recognised in the consolidated statement of profit or loss.

Debt securities issued

Debt securities issued represent bonds issued by the Group, which are accounted for according to the same principles used for amounts due to customers and credit institutions. Any difference between proceeds received, net of debt issuance costs, and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Equity

The Group classifies a financial instrument that it issues as a financial asset, financial liability or an equity instrument in accordance with the substance of the contractual arrangement. An instrument is classified as a liability if it is a contractual obligation to deliver cash or another financial asset, or to exchange financial assets or financial liabilities on potentially unfavorable terms. An instrument is classified as equity if it evidences a residual interest in the assets of the Group, after the deduction of liabilities.

The components of a compound financial instrument issued by the Group are classified and accounted for separately as financial assets, financial liabilities or equity instruments as appropriate.

Share capital

External costs directly attributable to the issue of new shares, other than in a business combination, are shown as a deduction from the proceeds in equity. Prior to 13 May 2003, any excess of the fair value of consideration received over the nominal value of shares issued was recognised as share premium reserve. Effective 13 May 2003, upon a change in the law concerning "Joint Stock Companies", the nominal amount concept was restricted to placement of shares only between the founders of an entity. For all other investors, share capital is recorded at placement value being the consideration received by an entity for its shares.

Treasury shares

When the Group acquires its own share capital, the amount of the consideration paid, including directly attributable costs, net of any related tax benefit, is recognised as a change in equity. Repurchased shares are classified as treasury shares and are held at cost. These shares are treated as a deduction from the issued and weighted average number of shares, and the cost price of the shares is presented as a deduction from total equity. Dividends on shares purchased by the Group's subsidiaries are eliminated upon consolidation.

Dividends

Dividends are recognised as a liability and deducted from equity on the date they are declared. Dividends are disclosed when they are proposed before the reporting date or proposed or declared after the reporting date but before the consolidated financial statements are authorised for issue.

Share-based payments

In connection with the introduction of the long-term incentive programme in December 2024, the Group recognised a provision for share-based payments as part of equity in the consolidated statement of financial position as at 31 December 2024. The awards offered are equity-settled share-based payment transactions and are therefore within the scope of IFRS 2 Share-based Payments. The fair value of the services received is measured based on the fair value of the share options initially at the grant date and thereafter at each reporting date. The fair value of the options is calculated based on the Black-Scholes-Merton model, which includes, among other things, the market value of the shares as of the decision date, the volatility of the shares and the dividend yield rate. The cost of employee services received in respect of share options granted is recognised in the consolidated income statement as operating expenses during the period in which the services are rendered, after which the share rights are transferred. A stock-based payment allowance is recognised at the current fair value of the option at each reporting date.

Equity reserves

The reserves recorded in equity (other comprehensive income) on the Group's consolidated statement of financial position include:

- Revaluation reserve of financial assets at fair value through other comprehensive income which comprises changes in fair value of financial assets at fair value through other comprehensive income and allowances for expected credit losses on debt financial assets at fair value through other comprehensive income;
- Cumulative translation reserve which is used to record foreign exchange differences arising from the translation of the net investment in foreign operations;
- Property revaluation reserve, which comprises revaluation reserve of land and buildings.

Contingencies

Contingent liabilities are not recognised in the consolidated statement of financial position but are disclosed unless the possibility of any outflow in settlement is remote. A contingent asset is not recognised in the consolidated statement of financial position but disclosed when an inflow of economic benefits is probable.

Recognition of income and expense

Interest income and expense for all financial instruments, except for financial assets measured or designated at fair value through profit or loss are recognised in 'Net interest income' as 'Interest income calculated using the effective interest method' and 'Interest expense' in the profit or loss account using the effective interest method.

Interest income on financial instruments measured at fair value through profit or loss is included in 'Other interest income' in the consolidated statement of profit or loss.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognized in profit or loss at initial recognition.

The interest income/interest expense is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance), or to the amortised cost of financial liabilities. For credit-impaired financial assets, the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses). For financial assets POCI the EIR reflects the expected credit losses in determining the future cash flows expected to be received from the financial asset.

Loan origination fees for loans issued to customers are (together with related direct costs) recognised as an adjustment to the effective yield of the loans. Where it is probable that a loan commitment will lead to a specific lending arrangement, the loan commitment fees are deferred, together with the related direct costs, and recognised as an adjustment to the effective interest rate of the resulting loan. Where it is unlikely that a loan commitment will lead to a specific lending arrangement, the loan commitment fees are recognised in profit or loss over the remaining period of the loan commitment. Where a loan commitment expires without resulting in a loan, the loan commitment fee is recognised in profit or loss on expiry.

Fee and commission income

Fee and commission income is recognised to reflect the transfer of services to customers at an amount that reflects the consideration that is expected to be received in exchange for such services. The Group identifies the performance obligation, i.e. the services agreed with the customer, and the consideration, and recognises income in line with the transfer of services, the performance obligation, agreed with the customer.

For each performance obligation identified, the Group determines at contract inception whether it satisfies the performance obligation over time or at a point in time, and whether the consideration is fixed or variable, including whether consideration is constrained by, for instance, external factors outside the Group's influence. The consideration is subsequently allocated to the identified performance obligation.

Fee and commission income from maintenance of customer accounts and cash operations include fees earned from deposit products in lieu of compensating balances, service charges for transactions performed upon depositors' request, as well as fees earned from performing cash management activities. Service charges on deposit products are recognized over the period in which the related service is provided, typically monthly. Service fees are recognized at a point in time upon completion of the requested service transaction. Fees on cash management products are recognized over time as services are provided.

Plastic cards operations fee and commission income include interchange income from credit and debit card transactions and are recognized at a point in time upon settlement by the associated network. Interchange rates are generally set by the associated network based on purchase volume and other factors. Other card-related fees are recognized at a point in time upon completion of the transaction.

Other banking fees include fees for various transactional banking activities such as bank transfers, letters of credit fees and other transactional services. These fees are recognized in a manner that reflects the timing of when transactions occur and as services are provided. Letter of credit fees primarily includes fees received related to letter of credit agreements and are generally recognized upon execution of the contract.

The adoption of IFRS 15 has not had any material impact on the disclosures or on the amounts reported in the consolidated financial statements.

Foreign currency translation

The consolidated financial statements are presented in KZT, which is the functional currency of the Bank and each of its subsidiaries, except for foreign subsidiaries. Transactions in foreign currencies are initially recorded in the functional currency, converted at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the currency rate of exchange as quoted by KASE as at the reporting date. Gains and losses resulting from the translation of foreign currency transactions into functional currency are recognised in the consolidated statement of profit or loss as net foreign exchange gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as 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.

As at the reporting date, the assets and liabilities of overseas subsidiaries are translated into the Group's presentation currency at the exchange rates as at the consolidated statement of financial position date, and their statements of profit or loss are translated at the average exchange rates for the year. Exchange differences arising on translation are taken directly to a separate component of equity. On disposal of a foreign subsidiary, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

Differences between the contractual exchange rate of a transaction in a foreign currency and the market exchange rate on the date of the transaction are included in net foreign exchange gain or loss. The market exchange rate at 31 December 2024 was – KZT 525.11 to USD, KZT 4.88 to RUB, KZT 546.74 to EUR (at 31 December 2023 was – KZT 454.56 to USD, KZT 5.06 to RUB, KZT 502.24 to EUR).

Insurance contracts

On 1 January 2023, the Group implemented IFRS 17, Insurance Contracts.

A. Key types of insurance contracts issued and reinsurance contracts held

The Group issues the following types of contracts that are accounted for in accordance with IFRS 17 Insurance Contracts.

Life business – non-participating contracts including:

- Term life insurance contracts providing level or decreasing sum assured coverage for a limited period of time in exchange for non-renewable fixed premiums.

This group of contracts include the following material products of the Group – voluntary accumulative life insurance Halyk Kazyna, voluntary accumulative life insurance Baiterek, voluntary accumulative life insurance Bolashak Life, voluntary life insurance Halyk Retail, voluntary life insurance Halyk MB (small business), voluntary life insurance Halyk Eurasia and others.

The Group accounts for these policies using the General Model.

- Fixed annuity contracts providing the annuitant with a guaranteed income payout for life.

This group of contracts include the following material products of the Group – pension annuity and annuities under employer liability. The Group accounts for these policies applying the General Model.

Motor and property insurance policies:

These comprise comprehensive and third-party liability car insurance policies as well as property insurance policies for contents and buildings and other properties with coverage of one year or more. This group of contracts includes the following significant products of the Group: compulsory motor vehicle liability insurance, property insurance, and motor vehicle and liability insurance. The Group accounts for these contracts applying the Premium Allocation Approach (PAA).

B. Definitions and classifications

Products sold by the Group are classified as insurance contracts when the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Group considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Group determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Group to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

C. Combining a set or series of contracts

Sometimes, the Group enters into two or more contracts at the same time with the same or related counterparties to achieve an overall commercial effect. The Group accounts for such a set of contracts as a single insurance contract when this reflects the substance of the contracts. When making this assessment, the Group considers whether:

- The rights and obligations are different when looked at together compared to when looked at individually
- The Group is unable to measure one contract without considering the other

D. Separating components from insurance and reinsurance contracts

In addition to the provision of the insurance coverage service, some insurance contracts issued by the Group have other components such as an investment component.

The Group assesses its products to determine whether some of these components are distinct and need to be separated and accounted for applying other IFRS Accounting Standards. When these non-insurance components are non-distinct, they are accounted for together with the insurance component applying IFRS 17.

Separating investment components

The Group issues certain life insurance policies. These include an investment component under which the Group is required to repay to a policyholder in all circumstances, regardless of an insured event occurring.

In assessing whether an investment component is distinct and therefore required to be accounted for separately applying IFRS 9, the Group considers if the investment and insurance components are highly interrelated or not. A contract with equivalent terms to the investment component is sold (or could be sold) separately in the same market or in the same jurisdiction by other entities, including those issuing insurance contracts.

When the investment component meets the definition of an investment contract with discretionary participation features, it is then accounted for applying IFRS 17.

In determining whether investment and insurance components are highly interrelated the Group assesses whether the Group is unable to measure one component without considering the other and whether the policyholder is unable to benefit from one component unless the other component is present, i.e. whether cancelling one component also terminates the other. The Group has not identified any distinct investment components. The Group applies IFRS 17 to account for non-distinct investment components as part of its insurance contracts.

Separating insurance components of a single insurance contract

Once investment components are separated, the Group assesses whether the contract should be separated into several insurance components that, in substance, should be treated as separate contracts to reflect the substance of the transaction. To determine whether insurance components should be recognised and measured separately, the Group considers whether there is an interdependency between the different risks covered, whether components can lapse independently of each other and whether the components can be priced and sold separately. When the Group enters into one legal contract with different insurance components operating independently of each other, insurance components are recognised and measured separately applying IFRS 17.

E. Level of aggregation

The Group identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the Group considers the similarity of risks rather than the specific labelling of product lines. The Group has determined that all contracts within each product line, as defined for management purposes, have similar risks. Therefore, when contracts are managed together, they represent a portfolio of contracts. Some products issued by different entities within the Group are considered as being managed at the issuing entity level. This is because the management of the solvency capital management, which supports the issuance of these contracts, is ring-fenced within these entities.

Each portfolio is subdivided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied. At initial recognition, the Group segregates contracts based on when they were issued. A cohort contains all contracts that were issued within a 12-month period. Each cohort is then further disaggregated into two groups of contracts:

- Contracts that are onerous on initial recognition
- Contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently

The determination of whether a contract or a group of contracts is onerous is based on the expectations as at the date of initial recognition, with fulfilment cash flow expectations determined on a probability-weighted basis. The Group determines the appropriate level at which reasonable and supportable information is available to assess whether the contracts are onerous at initial recognition and whether the contracts not onerous at initial recognition have a significant possibility of becoming onerous subsequently. The Group applies significant judgement in determining at what level of granularity the Group has sufficient information to conclude that all contracts within a set will be in the same group. In the absence of such information, the Group assesses each contract individually.

The composition of groups established at initial recognition is not subsequently reassessed. See Note 1.M below for the accounting policy on levels of aggregation for contracts that existed as at the transition date to IFRS 17.

For motor and property insurance contracts accounted for applying the PAA, the Group determines that contracts are not onerous on initial recognition, unless there are facts and circumstances indicating otherwise. The Group assesses the likelihood of changes in applicable facts and circumstances to determine whether contracts not onerous on initial recognition belong to a group with no significant possibility of becoming onerous in the future. If facts and circumstances indicate that some contracts may be onerous at initial recognition or the group of contracts has become onerous, the Group performs a quantitative assessment to assess whether the carrying amount of the liability for remaining coverage determined applying the PAA is less than the fulfilment cash flows related to remaining coverage determined applying the General Model. If the fulfilment cash flows related to remaining coverage determined applying the General Model exceed the PAA carrying amount of the liability for remaining coverage, the difference is recognised in profit or loss and the liability for remaining coverage is increased by the same amount.

When motor insurance contracts within a portfolio would only fall into different groups due to specific constraints imposed by law or regulation on the Group's practical ability to set a different price or level of benefits for male and female policyholders, the Group nevertheless includes those contracts in the same group.

F. Recognition

The Group recognises groups of insurance contracts issued from the earliest of the following dates:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group becomes due (in the absence of a contractual due date, this is deemed to be when the first payment is received)
- The date when a group of contracts becomes onerous

The Group recognises only contracts issued within a one-year period meeting the recognition criteria by the reporting date. Subject to this limit, a group of insurance contracts can remain open after the end of the current reporting period. New contracts are included in the group when they meet the recognition criteria in subsequent reporting periods until such time that all contracts expected to be included within the group have been recognised. Investment contracts with discretionary participation features are initially recognised at the date the Group becomes a party to the contract.

Investment treaties with discretionary participation conditions are initially recognised when the Group becomes a party to the contract.

G. Contract boundaries

The measurement of a group of insurance contracts includes all future cash flows expected to arise within the boundary of each contract in the group.

In determining which cash flows fall within a contract boundary, the Group considers its substantive rights and obligations arising from the terms of the contract, and from applicable laws, regulations and customary business practices. The Group determines that cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums or the Group has a substantive obligation to provide the policyholder with insurance contract services.

A substantive obligation to provide insurance contract services ends when the Group has the practical ability to reassess the risks of a particular policyholder and, as a result, to change the price charged or the level of benefits provided for the price to fully reflect the new level of risk. If the boundary assessment is performed at a portfolio rather than individual contract level, the Group must have the practical ability to reprice the portfolio to fully reflect risk from all policyholders. The Group's pricing must not take into account any risks beyond the next reassessment date.

In determining whether all risks have been reflected either in the premium or in the level of benefits, the Group considers all risks that policyholders would transfer had the Group issued the contracts (or portfolio of contracts) at the reassessment date. Similarly, the Group concludes on its practical ability to set a price that fully reflects the risks in the contract or portfolio at a renewal date by considering all the risks it would assess when underwriting equivalent contracts on the renewal date for the remaining service. The assessment on the Group's practical ability to reprice existing contracts takes into account all contractual, legal and regulatory restrictions. In doing so, the Group disregards restrictions that have no commercial substance. The Group also considers the impact of market competitiveness and commercial considerations on its practical ability to price new contracts and repricing existing contracts. The Group exercises judgement in deciding whether such commercial considerations are relevant in concluding as to whether the practical ability exists at the reporting date.

In estimating expected future cash flows of a group of contracts, the Group applies judgement in assessing future policyholder behaviour surrounding the exercise of options available to them. These include surrender options, and other options falling within the contract boundary.

Cash flows are within the boundaries of investment contracts with discretionary participation features if they result from a substantive obligation of the Group to deliver cash at a present or future date.

The Group assesses the contract boundary at initial recognition and at each subsequent reporting date to include the effect of changes in circumstances on the Group's substantive rights and obligations.

H. Measurement of insurance contracts issued

H1. Measurement on initial recognition for contracts other than PAA

The Group measures a group of contracts on initial recognition as the sum of the expected fulfilment cash flows within the contract boundary and the contractual service margin representing the unearned profit in the contracts relating to services that will be provided under the contracts.

Fulfilment cash flows within contract boundary

The fulfilment cash flows are the best estimates of the present value of the future cash flows, including a risk adjustment for non-financial risk. The estimates of future cash flows reflect conditions existing at the measurement date including assumptions at that date about the future.

The Group estimates expected future cash flows for a group of contracts at a portfolio level and allocates them to the groups in that portfolio in a systematic and rational way. When estimating future cash flows, the Group includes all cash flows within the contract boundary including:

- Premiums and any additional cash flows resulting from those premiums;
- Reported claims that have not yet been paid, claims incurred but not yet reported, future claims expected to arise from the policy and potential cash inflows from recoveries on future claims covered by existing insurance contracts;
- An allocation of insurance acquisition cash flows attributable to the portfolio to which the issued contract belongs;
- Claim handling costs;
- Policy administration and maintenance costs including recurring commissions expected to be paid to intermediaries for policy administration services only (recurring commissions that are insurance acquisition cash flows are treated as such in the estimate of future cash flows)
- An allocation of fixed and variable overheads directly attributable to the fulfilment of insurance contracts including overhead costs such as accounting, human resources, information technology and support, building depreciation, rent, and maintenance and utilities
- Other costs specifically chargeable to the policyholder under the terms of the contract

See Note 16 for fulfilment cash flows of reinsurance contracts held.

Discount rates

The time value of money and financial risk is measured separately from expected future cash flows with changes in financial risks recognised in profit or loss at the end of each reporting period unless the Group has elected the accounting policy to present the time value of money separately in profit or loss. The Group measures the time value of money using discount rates that reflect the liquidity characteristics of the insurance contracts and the characteristics of the cash flows, consistent with observable current market prices. They exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts (e.g. credit risk).

A mix of the bottom-up and top-down approaches was applied in the determination of the discount rates for different products. Bottom-up approach is used for cash flows denominated in foreign currencies. Top-down approach is used for cash flows denominated in KZT. Discount rates determined at the reporting date are disclosed in Note 16.

Risk adjustment for non-financial risk

The Group measures the compensation it would require for bearing the uncertainty about the amount and timing of cash flows arising from insurance contracts, other than financial risk, separately as an adjustment for non-financial risk.

In calculating the risk adjustment coefficient, the impact of the following actuarial assumptions on the level of insurance risk is taken into account:

- Probability of death by sex and age;
- Amount of administrative expenses;
- Probability of termination (if any);
- Probability of prolongation.

The calculation is made using the Value at Risk (VaR) method. Under this approach, the Group calculates the present value of future cash flows under a number of different scenarios (each scenario representing uncertainty resulting from non-financial risks) in order to reproduce the distribution of risks. The risk adjustment for non-financial risk is taken to be equal to the difference between the cost measure of risk at a given level of confidence and the average value - its best estimate. The reliability equal to 75% are accepted.

Contractual service margin (CSM)

The CSM is a component of the overall carrying amount of a group of insurance contracts representing unearned profit that the Group will recognise as it provides insurance contract services over the coverage period.

At initial recognition, the Group measures the CSM at an amount that, unless a group of insurance contracts is onerous, results in no gains recognised in profit or loss arising from:

- The expected fulfilment cash flows of the group
- The amount of any derecognised asset for insurance acquisition cash flows allocated to the group
- Any other asset or liability previously recognised for cash flows related to the group
- Any cash flows that have already arisen on the contracts as of that date

If a group of contracts is onerous, the Group recognises a loss on initial recognition. This results in the carrying amount of the liability for the group being equal to the fulfilment cash flows, and the CSM of the group being nil. A loss component is recognised for any loss on initial recognition of the group of insurance contracts. See Note 16.

The Group determines at initial recognition the group’s coverage units. The Group then allocates the group’s CSM based on the coverage units provided in the period.

Insurance acquisition cash flows

The Group includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, the group itself or the portfolio of insurance contracts to which the group belongs.

The Group estimates, at a portfolio level, insurance acquisition cash flows not directly attributable to the group but directly attributable to the portfolio. The Group then allocates them to the group of newly written and renewed contracts on a systematic and rational basis.

The Group recognises an asset in respect of costs to secure a portfolio or group of insurance contracts, such as costs of selling and underwriting, when these costs are incurred before the recognition of the group of insurance contracts to which these costs relate. The Group recognises such an asset for each existing or future group of insurance contracts to which insurance acquisition cash flows are allocated. The related portion of the asset for insurance acquisition cash flows is derecognised and included in the measurement of the fulfilment cash flows of the associated group of contracts when the group is initially recognised. When only some of the insurance contracts expected to be included within the group are recognised as at the end of the reporting period, the Group determines the related portion of the asset that is derecognised and included in the group's fulfilment cash flows. The related portion is determined on a systematic and rational allocation method that considers the timing of recognition of the contracts in the group.

At each reporting date, the Group reviews the carrying amounts of the asset for insurance acquisition cash flows to determine whether there is an indication that the asset has suffered an impairment. If any such indication exists, the Group adjusts the carrying amount of the asset so that the carrying amount of the asset does not exceed the expected net cash inflow for the associated future groups of contracts. An impairment loss is recognised in profit or loss for the difference. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the extent the impairment conditions no longer exist or have improved and the cumulative amount of impairment loss reversal does not exceed the impairment loss recognised for the asset in prior years.

H.2 Subsequent measurement under the General Model

In estimating the total future fulfilment cash flows, the Group distinguishes between those relating to already incurred claims and those relating to future service.

At the end of each reporting period, the carrying amount of the group of insurance contracts will reflect a current estimate of the liability for remaining coverage (LRC) as at that date and a current estimate of the liability for incurred claims (LIC).

The LRC represents the Group's obligation to investigate and pay valid claims under existing contracts for insured events that have not yet occurred, amounts that relate to other insurance contract services not yet provided (i.e. provision of investment-return and investment-related services) and investment components and other amounts not related to insurance contract services that have not yet been transferred to the LIC. The LRC is comprised of (a) the fulfilment cash flows relating to future service, (b) the CSM yet to be earned and (c) any outstanding premiums for insurance contract services already provided.

The LIC includes the Group's liability to pay valid claims for insured events that have already incurred, other incurred insurance expenses arising from past coverage service and the liability for claims incurred but not yet reported. It also includes the Group's liability to pay amounts the Group is obliged to pay the policyholder under the contract. This includes repayment of investment components, when a contract is derecognised. The current estimate of LIC comprises the fulfilment cash flows related to current and past service allocated to the group at the reporting date.

Changes in fulfilment cash flows

At the end of each reporting period, the Group updates the fulfilment cash flows for both LIC and LRC to reflect the current estimates of the amounts, timing and uncertainty of future cash flows, as well as discount rates and other financial variables.

The Group has an accounting policy choice which calculates changes in fulfilment cash flows at the end of a reporting period for changes in non-financial assumptions, changes in discount rates and financial assumptions. The Group first calculates the changes in discount rates and financial assumptions on the fulfilment cash flows (as expected at the beginning of the period) and then calculate changes on those cash flows from the change in non-financial assumptions.

Experience adjustments are the difference between:

- The expected cash flow estimate at the beginning of the period and the actual cash flows for premiums received in the period (and any related cash flows paid such as insurance acquisition cash flows); or
- The expected cash flow estimate at the beginning of the period and the actual incurred amounts of insurance service expenses in the period (excluding insurance acquisition expenses)

Experience adjustments relating to current or past service are recognised in profit or loss. For incurred claims (including incurred but not reported) and other incurred insurance service expenses, experience adjustments always relate to current or past service. They are included in profit or loss as part of insurance service expenses.

Experience adjustments relating to future service are included in the LRC by adjusting the CSM. The release of the CSM depends on whether the contract does not participate, participates indirectly, or directly participates in the performance of the specified underlying items. At the end of each reporting period, the Group re-estimates the LRC fulfilment cash flows, updating for changes in assumptions relating to financial and non-financial risks.

Margin adjustment for contractual services

In the case of non-equity insurance contracts, the margin for contracted services for a group of insurance contracts should be adjusted for changes in cash flows for the performance of contracts relating to deferred services. Such changes include:

- Experience adjustments relating to the premiums received in the period that relate to future service, and any related cash flows such as insurance acquisition cash flows and premium-based taxes measured at the 'locked in' discount rates applicable when the contracts in the group were initially recognised;
- The change in the estimate of the present value of expected future cash flows in the liability for remaining coverage, related to non-financial variables, measured at the 'locked in' discount rates applicable when the contracts in the group were initially recognised. All financial variables are locked in at initial recognition;
- Changes in the risk adjustment for non-financial risk relating to future service. The Group has elected not to disaggregate the change in the risk adjustment for non-financial risk between (i) a change related to non-financial risk and (ii) the effect of the time value of money and changes in the time value of money;
- Differences between the amount of investment components that were expected to be payable in the period and the amount of investment components that actually became payable. The amount of investment components expected to be payable in the period is measured at the discount rates applicable before it became payable.

The following adjustments do not relate to future service and thus do not adjust the CSM:

- Changes in fulfilment cash flows for the effect of the time value of money and the effect of financial risk and changes thereof;
- Changes in the fulfilment cash flows relating to the LIC;
- Experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

Any further increases in fulfilment cash flows relating to future coverage are recognised in profit or loss as they occur, increasing the loss component of the group of insurance contracts. Any subsequent decreases in fulfilment cash flows related to future coverage do not adjust the CSM until the loss component of the group is fully reversed through profit or loss.

At the end of the reporting period, the carrying amount of the CSM for a group of insurance contracts without direct participating features is the carrying amount at the beginning of the period adjusted for:

- The effect of any new contracts added to the group;
- Interest accreted on the carrying amount of the CSM measured at the discount rates determined at initial recognition;
- The changes in fulfilment cash flows related to future service, except:
  - Increases in fulfilment cash flows that exceed the carrying amount of the CSM, giving rise to a loss that results in the group of contracts becoming onerous or more onerous
  - Decreases in fulfilment cash flows that reverse a previously recognised loss on a group of onerous contracts
- The effect of any currency exchange differences on the CSM;
- The amount recognised as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining coverage period.

Recognition of the CSM in profit or loss

An amount of the CSM is released to profit or loss in each period during which the insurance contract services are provided. In determining the amount of the CSM to be released in each period, the Group follows three steps:

- Determine the total number of coverage units in the group. The amount of coverage units in the group is determined by considering the quantity of benefits provided under the contract and the expected coverage period for each contract;
- Allocate the CSM at the end of the period (before any of it is released to profit or loss to reflect the insurance contract services provided in the period) equally to each of the coverage units provided in the current period and expected to be provided in the future;
- Recognise in profit or loss the amount of CSM allocated to the coverage units provided during the period.

The number of coverage units change as insurance contract services are provided, contracts expire, lapse or surrender and new contracts are added to the group. The total number of coverage units depends on the expected duration of the obligations that the Group has from its contracts. These can differ from the legal contract maturity because of the impact of policyholder behaviour and the uncertainty surrounding future insured events. By determining a number of coverage units, the Group exercises judgement in estimating the likelihood of insured events occurring and policyholder behaviour to the extent that they affect expected period of coverage in the group, the different levels of service offered across periods (e.g. policyholder exercising an option and adding an additional coverage for a previously guaranteed price) and the 'quantity of benefits' provided under a contract.

Contracts with cash flows not dependent on underlying items

In determining the number of coverage units, the Group applies the following methods:

For term life (with level or decreasing sum assured) and fixed annuity policies, a method based on the expected coverage period and maximum contractual cover in each period is applied. This method is appropriate as there is variability in the contractual cover in each period and, therefore, variability in the amount of the service provided in each period.

The amount of CSM allocated to each coverage unit changes over time, as the amount of CSM changes. The allocation of the CSM to coverage units is done at the end of the period, after reflecting all other CSM adjustments (the accretion of interest and the effect of change in assumptions relating to future coverage), but before any of it is released to profit or loss. The amount of CSM remaining at the end of the reporting period is allocated equally to the coverage units provided in the period and the remaining coverage units relating to future periods.

H.3 Insurance contracts measured under the premium allocation approach

The Group applies the PAA to the measurement of motor and property insurance contracts with a coverage period of each contract in the group of one year or less. The Group applies the PAA to the measurement of motor and property insurance contracts with a coverage period of each contract in the group of more than one year if PAA model is applied.

On initial recognition, the Group measures the LRC at the amount of premiums received in cash. As all issued insurance contracts to which the PAA is applied have coverage of a year or less, the Group applies a policy of amortising all insurance acquisition cash flows over the contract’s coverage period.

Premiums due to the Group for insurance contract services already provided in the period but not yet received at the end of the reporting period are included in the LRC. The carrying amount of the LRC at the end of each subsequent reporting period represents the carrying amount at the start of the reporting period adjusted for the premiums received in the period and the amount recognised as insurance revenue for insurance contract services provided in that period.

The Group has determined that there is no significant financing component in motor and property insurance contracts with a coverage period of one year or less. The Group does not discount the liability for remaining coverage to reflect the time value of money and financial risk for such insurance contracts.

The Group also applies the PAA to the all-quota share property and motor reinsurance contracts held. The coverage period of such reinsurance contracts held is 15 months or less. As the coverage period exceeds one year, the Group at initial recognition assesses whether the PAA is a reasonable approximation of the General Model.

For motor and property reinsurance contracts held with a coverage period longer than one year, the Group exercises judgement to determine whether a significant financing component exists. For groups of reinsurance contracts held with a significant financing component, the Group adjusts the LRC for the time value of money using discount rates determined at initial recognition.

For both motor and property insurance contracts issued and reinsurance contracts held, the carrying amount of the LIC is measured applying the General Model, except that:

- For claims that the Group expects to be paid within one year or less from the date of incurrence, the Group does not adjust future cash flows for the time value of money and the effects of financial risks;
- For claims expected to take more than one year to settle are discounted applying the discount rate at the time the incurred claim is initially recognized.

Applying the PAA, the insurance revenue is measured at the amount allocated from the expected premium receipts excluding any investment component. The allocation is done on the basis of the passage of time. The Group applies judgement in determining the basis of allocation.

When facts and circumstances indicate that a group of contracts has become onerous, the Group performs a test for onerousness. If the amount of the fulfilment cash flows exceeds the carrying amount of the LRC, the Group recognises the amount of the difference as a loss in profit or loss and increases the LRC for the corresponding amount.

H.4 Onerous contracts

The Group considers an insurance contract to be onerous if the expected fulfilment cash flows allocated to the contract, any previously recognised acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total result in a net cash outflow.

On initial recognition, the onerous assessment is done on an individual contract level assessing on a best estimate of future expected cashflows including a risk adjustment for non-financial risk. Contracts expected on initial recognition to be loss-making are grouped together and such groups are measured and presented separately. Once contracts are allocated to a group, they are not re-allocated to another group, unless they are substantively modified.

On initial recognition, the CSM of the group of onerous contracts is nil and the group's measurement consists entirely of fulfilment cash flows. A net outflow expected from a group of contracts determined to be onerous is considered to be the group's 'loss component'. It is initially calculated when the group is first considered to be onerous and is recognised at that date in profit or loss. The amount of the group's loss component is tracked for the purposes of presentation and subsequent measurement.

After the loss component is recognised, the Group allocates any subsequent changes in fulfilment cash flows of the LRC on a systematic basis between the loss component and the LRC excluding the loss component.

For groups of onerous contracts, without direct participating features, the Group uses locked-in discount rates. They are determined at initial recognition to calculate the changes in the estimate of future cash flows relating to future service (both changes in a loss component and reversals of a loss component).

For all issued contracts, other than those accounted for applying the PAA, the subsequent changes in the fulfilment cash flows of the LRC to be allocated are:

- Insurance finance income or expense;
- Changes in risk adjustment for non-financial risk recognised in profit or loss representing release from risk in the period;
- Estimates of the present value of future cash flows for claims and expenses released from the LRC because of incurred insurance service expenses in the period.

The Group determines the systematic allocation of insurance service expenses incurred based on the percentage of loss component to the total fulfilment cash outflows included in the LRC.

Any subsequent decreases in fulfilment cash flows relating to future service allocated to the group (arising from changes in estimates of future cash flows and the risk adjustments for non-financial risk) are allocated first to the loss component only. Once it is exhausted, any further decreases in fulfilment cash flows relating to future service results in the establishment of the group's CSM.

For onerous groups of contracts, revenue is calculated as the amount of insurance service expenses expected at the beginning of the period that form part of revenue and reflects only:

- The change in the risk adjustment for non-financial risk due to expected release from risk in the period (excluding the amount systematically allocated to the loss component);
- The estimates of the present value of future cash flows related to claims expected to incur in the period (excluding the systematic allocation to the loss component);
- The allocation, based on the coverage units, of the portion of premiums that relates to the recovery of the insurance acquisition cash flows.

All these amounts are accounted for as a reduction of the LRC excluding the loss component.

The Group recognises amounts in insurance service expenses related to the loss component arising from:

- Changes in fulfilment cash flows arising from changes in estimates related to future service that establish or further increase the loss component;
- Subsequent decreases in fulfilment cash flows that relate to future service and reduce the loss component until it is exhausted;
- Systematic allocation to the loss component arising both from changes in the risk adjustment for non-financial risk and from incurred insurance services expenses.

I. Modification and derecognition

The Group derecognises the original contract and recognises the modified contract as a new contract, if the terms of insurance contracts are modified and the following conditions are met:

- If the modified terms were included at contract inception and the Group would have concluded that the modified contract:
  – Is outside of the scope of IFRS 17;
  – Results in a different insurance contract due to separating components from the host contract;
  – Results in a substantially different contract boundary;
  – Would be included in a different group of contracts.
- The original contract was accounted for applying the PAA, but the modified contract no longer meets the PAA eligibility criteria for that approach.

If the contract modification meets any of the conditions, the Group performs all assessments applicable at initial recognition, derecognises the original contract and recognises the new modified contract as if it was entered for the first time.

If the contract modification does not meet any of the conditions, the Group treats the effect of the modification as changes in the estimates of fulfilment cash flows.

For insurance contracts accounted for applying the General Model, a change in the estimates of fulfilment cash flows results in a revised end of period CSM (before the current period allocation). A portion of the revised end of period CSM is allocated to the current period, as is the revised CSM amount applied from the beginning of the period but reflecting the change in the coverage units due to the modification during the period. This portion is calculated using updated coverage unit amounts determined at the end of the period and weighted to reflect the fact that the revised coverage existed for only part of the current period.

For insurance contracts accounted for applying the PAA, the Group adjusts insurance revenue prospectively from the time of the contract modification.

The Group derecognises an insurance contract when, and only when the contract is:

- Extinguished (when the obligation specified in the insurance contract expires or is discharged or cancelled);
- Modified and the derecognition criteria are met.

When the Group derecognises an insurance contract from within a group of contracts, it:

- Adjusts the fulfilment cash flows allocated to the group to eliminate the present value of the future cash flows and risk adjustment for non-financial risk relating to the rights and obligations that have been derecognised from the group;
- Adjusts the CSM of the group for the change in the fulfilment cash flows (unless it relates to the increase or reversal of the loss component);
- Adjusts the number of coverage units for expected remaining insurance contract services to reflect the coverage units derecognised from the group, and recognises in profit or loss in the period the amount of CSM based on that adjusted number.

When the Group transfers an insurance contract to a third party and that results in derecognition, the Group adjusts the CSM of the group from which the contract has been derecognised for the difference between the change in the carrying amount of the group caused by the derecognised fulfilment cash flows and the premium charged by the third party for the transfer.

When the Group derecognises an insurance contract due to modification, it derecognises the original insurance contract and recognises a new one. The Group adjusts the CSM of the group from which the modified contract has been derecognised for the difference between the change in the carrying amount of the group as a result of adjustment to fulfilment cash flows due to derecognition and the premium the Group would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium actually charged for the modification.

J. Presentation

The Group has presented separately in the consolidated statement of financial position the carrying amount of portfolios of insurance contracts that are assets and those that are liabilities, and the portfolios of reinsurance contracts held that are assets and those that are liabilities.

The Group disaggregates the amounts recognised in the consolidated statement of profit or loss into insurance revenue and insurance service expenses. The Group has voluntarily included the net insurance finance income or expenses line in insurance revenue.

The Group does not disaggregate the change in risk adjustment for non-financial risk between a financial and nonfinancial portion. It includes the entire change as part of the insurance service result.

J.1 Insurance revenue

As the Group provides insurance services under a group of insurance contracts issued, it reduces its LRC and recognises insurance revenue, which is measured at the amount of consideration the Group expects to be entitled to in exchange for those services.

For groups of insurance contracts measured under the General Model, insurance revenue consists of the sum of the changes in the LRC due to:

- The insurance service expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
  – Amounts allocated to the loss component
  – Repayments of investment components
  – Insurance acquisition expenses
  – Amounts relating to risk adjustment for non-financial risk
- The change in the risk adjustment for non-financial risk, excluding:
  – Changes that relate to future service that adjust the CSM
  – Amounts allocated to the loss component
- The amount of CSM for the services provided in the period.

Insurance revenue also includes the portion of premiums that relate to recovering those insurance acquisition cash flows included in the insurance service expenses in each period. Both amounts are measured in a systematic way on the basis of the passage of time.

When applying the PAA, the Group recognises insurance revenue for the period based on the passage of time by allocating expected premium receipts including premium experience adjustments to each period of service.

J.2 Insurance service expenses

Insurance service expenses arising from a group of insurance contracts issued comprises:

- Changes in the LIC related to claims and expenses incurred in the period excluding repayment of investment components;
- Changes in the LIC related to claims and expenses incurred in prior periods (related to past service);
- Other directly attributable insurance service expenses incurred in the period;
- Amortisation of insurance acquisition cash flows, which is recognised at the same amount in both insurance service expenses and insurance contract revenue;
- Loss component of onerous groups of contracts initially recognised in the period;
- Changes in the LRC related to future service that do not adjust the CSM, because they are changes in the loss components of onerous groups of contracts.

J.3 Income or expenses from reinsurance contracts held

The Group presents income or expenses from a group of reinsurance contracts held and reinsurance finance income or expenses in profit or loss for the period separately. Income or expenses from reinsurance contracts held are split into the following two amounts:

- Amount recovered from reinsurers
- An allocation of the premiums paid

Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss.

For PAA contracts

When applying the PAA, the Group does not discount the liability for remaining coverage to reflect the time value of money and financial risk for motor and property insurance policies with a coverage period of one year or less. For those claims that the Group expects to be paid within one year or less from the date of incurrence, the Group does not adjust future cash flows for the time value of money and the effects of financial risks. However, claims expected to take more than one year to settle are discounted applying the discount rate at the time the incurred claim is initially recognised.

For non-participating contracts

For non-participating contracts whose cash flows are not affected by underlying items, the Group has elected to present all insurance finance income or expenses in profit or loss.

Exchange differences

Exchange differences arising from changes in the carrying amount of groups of insurance contracts issued and reinsurance contracts held are recognised in profit or loss in the period in which they arise.

The group of insurance contracts with cash flows in different foreign currencies is assessed to be denominated in a single currency. Accordingly, the risk adjustment for non-financial risks and the CSM of the group of insurance contracts are determined in the currency of the group of contracts.

At the end of each reporting period, the carrying amount of the group of insurance contracts denominated in a foreign currency is translated into the functional currency.

The amounts arising from changes in exchange rates between the currency of the group of contracts and the functional currency are considered as exchange differences and are recognised in profit or loss in the period in which they arise.

K. Contracts existing at transition date

K.1 Contracts measured under the modified retrospective approach

For all life business the Group assessed historical information available and determined that all reasonable and supportable information necessary for applying the full retrospective approach was not available for groups of insurance contracts issued between 2019 to 2021 years prior to the transition date. For all non-life business the Group assessed historical information available and determined that all reasonable and supportable information necessary for applying the full retrospective approach was not available for groups of insurance contracts issued before 2021 year. The Group elected to apply the modified retrospective approach, which was intended to achieve the closest possible outcome to the full retrospective application maximising the use of available information.

The Group applied modifications in the following areas:

- Assessments of insurance contracts or groups of insurance contracts that would have been are required to be made at inception or initial recognition, such as assessments of insurance contracts profitability and identification of discretionary cash flows for indirect participating contracts;
- Estimation of expected future cash flows, discount rates and risk adjustment for non-financial risk as at the date of initial recognition
- Determination of the CSM
- Determination of insurance finance income or expenses

Level of aggregation

To the extent that reasonable and supportable information was not available at the date of initial recognition, the Group applied simplification in assumptions development taking into account available and supportable information as at transition date.

The Group assessed the CSM on the date of initial recognition to determine whether contracts belong to one of three profitability groups: groups of onerous contracts, groups of contracts that have no significant possibility of becoming onerous subsequently, and groups that are neither onerous nor have no significant possibility of becoming onerous subsequently.

Assessments at inception or initial recognition

The Group assessed that it did not have reasonable and supportable information to perform the following assessments as at the date of inception or initial recognition and accordingly performed the assessments using the following information available at the transition date:

Expected cash flows

The Group estimated the cash flows at the date of initial recognition by estimating these cash flows at the date of transition, or if known at an earlier date than the transition date, adjusted by actual cash flows that were known to have occurred between then and the date of initial recognition. These include cash flows from contracts that have ceased to exist by the date of transition.

The Group applied the simplified assumption that the expectations as at the date of transition were also valid at the date of initial recognition, so that only the known cash flows that have occurred since initial recognition are adjusted for.

Discount rates

To the extent that the Group did not have reasonable and supportable information to determine discount rates applicable on the date of initial recognition of the group of contracts, the Group estimated the discount rates using an observable yield curve that for at least three years prior to the transition (i.e. 2019-2021) approximated the current yield curve used for subsequent measurement applying IFRS 17. Since observable yield curve did not exist till 2019, the Group applied the discount rates as at 31 December 2019 for the valuation dates until 31 December 2019.

K.2 Contracts measured applying the fair value approach

The Group concluded that reasonable and supportable information for application of the modified retrospective approach was not available for Pension annuity and Obligatory Employer's Liability Lob issued before 2019 and therefore applied the fair value approach for those contracts.

The Group uses reasonable and supportable information available at the transition date to:

- Identify groups of insurance contracts
- Determine whether an insurance contract meets the definition of an insurance contract with direct participation features
- Identify discretionary cash flows for insurance contracts without direct participation features
- Determine whether an investment contract meets the definition of an investment contract with discretionary participation features within the scope of IFRS 17

Level of aggregation

The Group included contracts into one group of contracts as there was no reasonable and supportable information available to make the division.

Measurement at the transition date

In applying the fair value approach at the transition date, the CSM or loss component of the LRC was estimated as the difference between the fair value and the fulfilment cash flows of the group of contracts as of that date. In determining fair value, the Group followed the requirements of IFRS 13 Fair Value Measurement, except for that standard's requirement in relation to demand features (that fair value cannot be less than the amount repayable on demand), This is because it would contradict the IFRS 17 requirement to incorporate cash flows on a probability-weighted basis.

Discount rates

The Group used discount rates as at the date of initial recognition.

Insurance acquisition cash flows

The Group did not include an amount for insurance acquisition cash flows in the measurement of the groups of insurance contracts recognised at the transition date.

Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

(Millions of Kazakhstani Tenge)

Financial guarantee contracts and letters of credit issued

Financial guarantee contracts and letters of credit issued by the Group are credit insurance that provides for specified payments to be made to reimburse the holder for a loss it incurs because a specified debtor fails to make a payment when due under the original or modified terms of a debt instrument. Such financial guarantee contracts and letters of credit issued are initially recognised at fair value. Subsequently, they are measured at the higher of (a) the amount recognised as a provision and (b) the amount initially recognised less, where appropriate, cumulative amortisation of initial premium revenue received over the financial guarantee contracts or letters of credit issued.

New and amended IFRS Accounting Standards that are effective for the current year.

The following amendments and interpretations are effective for the Group effective 1 January 2024:

IFRS S2 Climate-related Disclosures	1 January 2024
IFRS S1 General Requirements for Sustainability-Related Financial Disclosures	1 January 2024
Amendments to IAS 1 Classification of Liabilities as Current and Non-Current	1 January 2024
Amendments to IAS 1 Non-current Liabilities with Covenants	1 January 2024
Amendments to IFRS 16 Leases—Lease Liability in a Sale and Leaseback	1 January 2024

The above standards and interpretations were reviewed by the Group’s management, but did not have a significant effect on the consolidated financial statements of the Group.

New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New or revised standard or interpretation	Applicable to annual reporting periods beginning on or after
IFRS 18 – Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IAS 21 – Lack of Exchangeability	1 January 2027

The Group is currently assessing the possible impact of IFRS 18. Until the Group has completed its review, it is not possible to make a reasonable estimate of the financial impact.

The Group does not expect that the application of IFRS 19 and the amendments to IFRS 21 will have a material impact on the Group's consolidated financial statements in future periods.

4. 4a. Significant accounting estimates

The preparation of the Group's consolidated financial statements requires management to make estimates and judgments that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of income and expenses during the reporting year. Management evaluates its estimates and judgements on an ongoing basis. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. The following estimates and judgments are considered important to the portrayal of the Group's financial condition.

Significant increase of credit risk

As explained in Note 3, ECL are measured as an allowance equal to 12-month ECL (for assets in Stage 1) assets, or lifetime ECL assets for Stage 2 or Stage 3 assets. An asset moves to Stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information (refer to Note 33 for more details).

Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and determining the forward-looking information relevant to each scenario

For treasury operations, the Bank calculates ECL on a financial asset based not only on the current estimates of the credit quality of the counterparty/issuer at the reporting date, but also taking into account possible deterioration of the financial condition due to the adverse macroeconomic factors of the counterparty's/issuer's environment in the future. In particular, the level of ECL for treasury operations is affected by the rating outlook (positive, stable, negative) assigned by international rating agencies, which affects the probability of default.

For bank loans, the calculation of ECL takes into account the possible estimated effects of changes in macroeconomic parameters on forecasted cash flows, migration of collective loans and collateral coverage.

When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Refer to Note 33 for more details.

The key inputs used for measuring ECL are:

- Probability of default ("PD");
- Loss given default ("LGD"); and
- Exposure at default ("EAD").

Probability of default

PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

PD for treasury operations is determined according to the Default Study from international rating agencies (S&P, Fitch, Moody's), which publish tabular data with the values of the probabilities of default. The probabilities of default are maintained up to date and are updated on a periodic basis as the default statistics are updated.

PD for individually assessed loans of corporate, small and medium businesses is estimated using an internal rating model based on the quantitative and qualitative characteristics of the borrower. The calculation of PD on loans assessed on a collective basis is carried out on the basis of historical data using the migration matrices and roll-rates.

Loss Given Default

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

LGD for treasury operations is determined according to the Default Study data from international rating agencies (S&P, Fitch and Moody's) and depends on the type of debt on the financial asset: senior secured/unsecured, subordinated and sovereign. In addition, LGD may be adjusted if collateral is provided for the asset, as well as if there are indications of impairment for the financial asset (Stage 2 or Stage 3).

LGD for collectively assessed loans is calculated based on an estimate of the recoverability of debt in case of the pledged collateral sale with a discount period that corresponds to the pledged collateral implementation terms.

Exposure at Default

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities. The Group's modelling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the loan exposure that are permitted by the current contractual terms, such as amortization profiles, early repayment or overpayment, changes in utilization of undrawn commitments and credit mitigation actions taken before default. The Group uses EAD models that reflect the characteristics of the portfolios.

Models and assumptions used

The Group uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk. See Notes 5, 8, 9, 10, 11, 17 and 33 for more details on allowances for ECL and Note 36 for more details on fair value measurement.

The Group makes estimates and judgments, which are constantly analyzed based on statistical data, actual and forecast information, as well as management experience, including expectations regarding future events that are reasonable in current circumstances.

In 2024, the allowances for ECL of financial assets in the consolidated financial statements have been determined on the basis of existing economic and political conditions and available forward-looking information.

The carrying amount of the allowance for ECL of loans to customers as at 31 December 2024 is KZT 573,219 million (31 December 2023: KZT 489,926 million).

Fair value measurement and valuation process

In estimating the fair value of a financial asset or a liability, the Group uses market-observable data to the extent it is available. Where such Level 1 inputs are not available, the Group uses valuation models to determine the fair value of its financial instruments. Refer to Note 36 for more details on fair value measurement.

Taxation

Kazakhstan tax, currency and customs legislations are subject to varying interpretations and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by the relevant regional and state authorities. Fiscal periods remain open to review by the authorities in respect of taxes for five calendar years preceding the year of review.

As at 31 December 2024, management believes that its interpretation of the relevant legislation is appropriate and that the Group's tax, currency and customs positions will be sustained. Significant additional actual taxes, penalties and interest may be assessed following any challenges by the relevant authorities, which could have a material impact on the Group’s reported net income.

4b. Reclassifications

Certain reclassifications have been made to the consolidated statement of profit or loss for the year ended 31 December 2023 to conform with the presentation of the statement for the year ended 31 December 2024, as the with current year presentation provides a better understanding of the Group's financial performance.

(Millions of Kazakhstani Tenge)

The reclassification of fee and commission expenses in the amount of KZT 13,357 million includes the reclassification of deposit insurance expenses. As these expenses are directly related to deposit expenses, the Group's management decided to reclassify them as interest expenses. Accordingly, a reclassification was also made in the consolidated statement of cash flows for the year ended 31 December 2023.

Consolidated statement of profit and loss	As previously reported Year ended 31 December 2023	Reclassified Year ended 31 December 2023	As restated Year ended 31 December 2023
Fee and commission expense	(99,704)	13,357	(86,347)
Interest expense	(859,285)	(13,357)	(872,642)

In accordance with the requirement of IFRS 17, the effect of the time value of money, the change in the time value of money, the effect of financial risk and changes in financial risk should be included in finance income or insurance expenses and should be excluded from insurance expenses. Accordingly, the Group reclassified finance costs in the amount of KZT 14,824 million from insurance expenses. A reclassification was also made in the consolidated statement of cash flows for the year ended 31 December 2023.

Consolidated statement of profit and loss	As previously reported Year ended 31 December 2023	Reclassified Year ended 31 December 2023	As restated Year ended 31 December 2023
Insurance service expense	(131,847)	14,824	(117,023)
Financial expenses for insurance	-	(14,824)	(14,824)

5. Cash and cash equivalents

Cash and cash equivalents comprise:

	31 December 2024	31 December 2023
Cash on hand	271,019	314,055
Correspondent accounts with Organization for Economic Co-operation and Development countries (the "OECD") based banks	237,969	360,599
Correspondent accounts with non-OECD based banks	84,877	40,418
Correspondent accounts with Kazakhstan banks	18,161	33,595
Correspondent accounts with NBRK	2	176,766
Overnight deposits with non-OECD based banks	3,562	5,171
Overnight deposits with OECD based banks	79	-
Short-term deposits with NBRK	800,985	350,310
Short-term deposits with banks (incl. loans under reverse repurchase agreements)	55,117	39,052
Short-term deposits with non-OECD based banks	2,031	57,349
	1,473,802	**1,377,315**

As at 31 December 2024 and 2023, allowance for expected credit losses on cash and cash equivalents comprised KZT 27 million and KZT 36 million, respectively.

(Millions of Kazakhstani Tenge)

The movements in accumulated allowances for expected credit losses of cash and cash equivalents were as follows:

	31 December 2024	31 December 2023
	Stage 1	Stage 1
At the beginning of the year	**(36)**	**(21)**
Changes in risk parameters	7	(28)
Foreign exchange differences and other movements	2	13
At the end of the year	**(27)**	**(36)**

Interest rates and currencies in which interest earning cash and cash equivalents are denominated are as follows:

	31 December 2024		31 December 2023	
	KZT	Foreign currencies	KZT	Foreign currencies
Overnight deposits with OECD based banks	-	6.3%	-	-
Overnight deposits with non-OECD based banks	-	6.3%-20.0%	-	12.0%
Short-term deposits with NBRK	15.3%	-	14.8%-15.8%	-
Short-term deposits with Kazakhstan banks (incl. loans under reverse repurchase agreements)	13.9%-15.5%	13.5%	14.8%-17.8%	3.6%-7.1%
Short-term deposits with non-OECD based banks	-	9.0%	-	5.7%-12.0%

Fair value of assets pledged and carrying amounts of loans under reverse repurchase agreements as at 31 December 2024 and 2023 are as follows:

	31 December 2024		31 December 2023	
	Carrying amount of loans	Fair value of collateral	Carrying amount of loans	Fair value of collateral
Treasury bills of the Ministry of Finance of Kazakhstan	37,747	37,733	17,585	17,583
Treasury bills of the Ministry of Finance of Uzbekistan	10,022	10,023	6,094	6,096
Eurobonds of the foreign countries	3,179	3,228	2,113	2,092
Bonds of Kazakhstan banks	3,018	3,109	1,457	1,371
Corporate bonds	633	631	10,766	10,788
Bonds of JSC Development Bank of Kazakhstan	518	529	669	657
Bonds of foreign corporations	-	-	356	352
Notes of NBRK	-	-	12	12
	55,117	**55,253**	**39,052**	**38,951**

As at 31 December 2024 and 2023, maturities of loans under reverse repurchase agreements are less than one month.

(Millions of Kazakhstani Tenge)

6. Obligatory reserves

Obligatory reserves comprise:

	31 December 2024	31 December 2023
Cash and due from banks allocated to obligatory reserves	306,330	244,866
	306,330	**244,866**

The obligatory reserves represent the minimum reserve deposits and cash on hand balances required by the National Banks of the Republic of Kazakhstan and Georgia and used for calculation of the minimum reserve requirements. As at 31 December 2024, obligatory reserves of the Bank's subsidiaries – JSC Halyk Bank Georgia comprised KZT 11,909 million (31 December 2023 – comprised KZT 10,811 million).

7. Financial assets and liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss comprise:

	31 December 2024	31 December 2023
Financial assets held for trading:		
Corporate bonds	218,794	186,343
Treasury bills of the Ministry of Finance of Kazakhstan	183,327	51,137
Eurobonds of foreign states	150,714	32,650
Bonds of foreign organizations	66,346	34,668
Bonds of Kazakhstan banks	44,974	33,676
Equity securities of foreign corporations	42,847	149,224
Equity securities of Kazakhstan corporations	34,737	12,723
Derivative financial instruments	30,487	23,836
Bonds of JSC Development Bank of Kazakhstan	24,919	35,546
Notes of NBRK	16,143	5,843
Bonds of foreign financial organizations	9,529	23,716
	822,817	**589,362**

Financial liabilities at fair value through profit or loss comprise:

	31 December 2024	31 December 2023
Financial liabilities held for trading:		
Derivative financial instruments	6,973	4,202

(Millions of Kazakhstani Tenge)

Interest rates on financial assets at fair value through profit or loss are presented in the table below. Interest rates in the table below are calculated as weighted average of the effective interest rates for the respective financial assets:

	31 December 2024	31 December 2023
Corporate bonds	12.6%	12.7%
Treasury bills of the Ministry of Finance of Kazakhstan	13.0%	12.8%
Eurobonds of foreign states	5.0%	4.8%
Bonds of foreign organizations	6.7%	6.2%
Bonds of Kazakhstan banks	15.9%	13.6%
Bonds of JSC Development Bank of Kazakhstan	13.3%	14.7%
Notes of NBRK	14.3%	15.4%
Bonds of foreign financial organizations	11.2%	12.0%

As at 31 December 2024 and 2023, financial assets at fair value through profit or loss included Treasury bills of the Ministry of Finance of Kazakhstan and JSC Kazakhstan Sustainability Fund with a fair value of KZT 7,554 million and KZT 12,210 million, respectively, pledged under repurchase agreements with other banks (see Note 19). All repurchase agreements as at 31 December 2024 and 2023 matured before 17 January 2025 and 18 January 2024, respectively.

Derivative financial instruments comprise:

	31 December 2024			31 December 2023		
	Notional amount	Fair value Asset	Fair value Liability	Notional amount	Fair value Asset	Fair value Liability
Foreign currency contracts						
Swaps	545,598	29,453	4,630	789,753	23,487	4,029
Forwards	128,663	190	350	4,736	23	-
Spots	35,976	844	1,993	78,676	326	173
	710,237	**30,487**	**6,973**	**873,165**	**23,836**	**4,202**

As at 31 December 2024 and 2023, the Group used quotations from observable independent sources of information to determine the fair value of financial assets measured at fair value through profit or loss, excluding derivative financial instruments that were measured on the basis of observable market data from valuation models.

8. Amounts due from credit institutions

Amounts due from credit institutions comprise:

	31 December 2024	31 December 2023
Deposit pledged as collateral	66,596	78,774
Term deposits and restricted accounts	53,495	51,367
Loans to credit institutions	37,027	42,013
	157,118	**172,154**
Less - Allowance for expected credit losses	(152)	(400)
	156,966	**171,754**

(Millions of Kazakhstani Tenge)

Interest rates and maturities of amounts due from credit institutions are as follows:

	31 December 2024		31 December 2023	
	Interest rate, %	Maturity, year	Interest rate, %	Maturity, year
Deposit pledged as collateral	1.8%-4.6%	2025-2046	1.8%-5.4%	2024-2046
Term deposits and restricted accounts	4.8%-20.0%	2025-2029	3.0%-9.1%	2024-2027
Loans to credit institutions	1.3%-8.5%	2025-2028	1.0%-14.3%	2024

The movements in accumulated allowances for expected credit losses of amounts due from credit institutions were as follows:

	Stage 1	Stage 2	31 December 2024 Total
At the beginning of the year	**(330)**	**(70)**	**(400)**
Changes in risk parameters	253	69	322
Foreign exchange differences and other movements	(75)	1	(74)
At the end of the year	**(152)**	**-**	**(152)**

	Stage 1	Stage 2	31 December 2023 Total
At the beginning of the year	**(201)**	**(144)**	**(345)**
Changes in risk parameters	(65)	71	6
Foreign exchange differences and other movements	(64)	3	(61)
At the end of the year	**(330)**	**(70)**	**(400)**

9. Financial assets at fair value through other comprehensive income

Debt securities comprise:

	31 December 2024	31 December 2023
Treasury bills of the Ministry of Finance of Kazakhstan	2,017,155	1,547,296
Corporate bonds	256,684	211,958
Bonds of foreign organisations	229,093	188,038
Bonds of JSC Development Bank of Kazakhstan	222,438	147,645
Eurobonds of foreign states	120,848	206,347
Bonds of foreign financial organizations	31,184	89,887
Bonds of Kazakhstan banks	20,668	10,465
Local municipal bonds	11,328	10,756
Treasury bills of the Ministry of Finance of Uzbekistan	3,878	3,880
	2,913,276	**2,416,272**

(Millions of Kazakhstani Tenge)

Equity securities comprise:

	31 December 2024	31 December 2023
Equity securities of Kazakhstan corporations	11,484	9,630
	11,484	**9,630**
Total financial assets at fair value through other comprehensive income	**2,924,760**	**2,425,902**

As at 31 December 2024 and 2023, financial assets at fair value through other comprehensive income included Treasury bills of the Ministry of Finance of Kazakhstan, JSC Development Bank of Kazakhstan, JSC Industrial Development Fund, and JSC Kazakhstan Sustainability Fund at fair value of KZT 196,881 million and KZT 188,100 million, respectively, pledged under repurchase agreements with other banks (see Note 19). All repurchase agreements as at 31 December 2024 and 2023 will mature before 17 November 2025 and 10 January 2024, respectively.

As at 31 December 2024 and 2023, the allowance for expected credit losses on financial assets at fair value through other comprehensive income comprised KZT 4,364 million and KZT 2,206 million, respectively (Note 10).

Interest rates and maturities of financial assets at fair value through other comprehensive income are presented in the table below. Interest rates in the table below are calculated as weighted average of the effective interest rates for the respective securities.

	31 December 2024		31 December 2023	
	Interest rate, %	Maturity, year	Interest rate, %	Maturity, year
Treasury bills of the Ministry of Finance of Kazakhstan	7.0%	2025-2045	5.7%	2024-2045
Corporate bonds	9.2%	2025-2047	10.2%	2024-2047
Bonds of foreign organisations	5.0%	2025-2029	3.8%	2024-2027
Bonds of JSC Development Bank of Kazakhstan	6.4%	2025-2032	6.3%	2024-2032
Eurobonds of foreign states	3.8%	2025-2034	3.8%	2024-2025
Bonds of foreign financial organisations	8.7%	2025-2030	9.0%	2024-2030
Bonds of Kazakhstan banks	8.6%	2026-2029	11.9%	2024-2026
Local municipal bonds	10.8%	2026	10.8%	2026
Treasury bills of the Ministry of Finance of Uzbekistan	7.0%	2028-2029	7.9%	2028-2029

10. Debt securities at amortised cost, net of allowance for expected credit losses

Debt securities at amortised cost, net of allowances for expected credit losses comprise:

	31 December 2024	31 December 2023
Treasury bills of the Ministry of Finance of Kazakhstan	521,807	521,665
Corporate bonds	217,839	187,966
Treasury bonds of the Central Bank of the Republic of Uzbekistan	20,995	7,421
Bonds of foreign organizations	4,004	5,332
Notes of National Bank of Georgia	2,292	2,959
	766,937	**725,343**

(Millions of Kazakhstani Tenge)

As at 31 December 2024 and 2023, the allowance for expected credit losses on debt securities at amortised cost comprised KZT 577 million and KZT 656 million, respectively.

As at 31 December 2024 and 2023, debt securities at amortised cost, net of allowances for expected credit losses included Treasury bills of the Ministry of Finance of Kazakhstan at fair value of KZT 37,581 million and KZT 269,231 million, respectively, pledged under repurchase agreements with other banks (see Note 19). All repurchase agreements as at 31 December 2024 and 2023 mature before 5 January 2025 and 3 January 2024, respectively.

Interest rates and maturities of debt securities at amortised cost, net of allowance for expected credit losses are presented in the table below. Interest rates in the table below are calculated as weighted average of the effective interest rates for the respective securities.

	31 December 2024		31 December 2023	
	Interest rate, %	**Maturity, year**	**Interest rate, %**	**Maturity, year**
Treasury bills of the Ministry of Finance of Kazakhstan	9.0%	2026-2027	9.1%	2026-2027
Corporate bonds	4.0%	2027	3.3%	2024
Treasury bonds of the Central Bank of the Republic of Uzbekistan	15.7%	2025	16.4%	2024
Bonds of foreign organizations	5.5%	2025	3.4%	2025
Notes of National Bank of Georgia	9.7%	2025-2028	9.9%	2024-2028

The movements in accumulated allowances for expected credit losses of debt securities at amortised cost, net of allowances for expected credit losses and financial assets at fair value through other comprehensive income were as follows:

	31 December 2024		31 December 2023.		
	Stage 1	**Total**	**Stage 1**	**Stage 3**	**Total**
At the beginning of the year	**(2,862)**	**(2,862)**	**(1,398)**	**(170)**	**(1,568)**
Changes in risk parameters*	(1,159)	(1,159)	(1,212)	-	(1,212)
New originations or purchases of financial assets*	(1,030)	(1,030)	(465)	-	(465)
Derecognition of financial assets*	109	109	108	-	108
Disposal of subsidiaries	(1)	(1)	20	-	20
Write-offs	-	-	-	170	170
Foreign exchange differences and other movements	2	2	85	-	85
At the end of the year	**(4,941)**	**(4,941)**	**(2,862)**	**-**	**(2,862)**

* Line “(Credit loss expense)/ Recovery of credit loss expense” in the consolidated statement of profit or loss is comprised from “Changes in risk parameters”, “New originations or purchases of financial assets” and “Derecognition of financial assets”.

(Millions of Kazakhstani Tenge)

11. Loans to customers

Loans to customers comprise:

	31 December 2024	31 December 2023
Loans to customers	12,016,120	9,752,598
Overdrafts	22,748	22,200
	12,038,868	**9,774,798**
Stage 1	11,209,639	8,992,052
Stage 2	66,208	51,860
Stage 3	743,676	700,518
Purchased or originated credit-impaired assets ("POCI")	19,345	30,368
Total	**12,038,868**	**9,774,798**
Less – Allowance for expected credit losses	(573,219)	(489,926)
Loans to customers	**11,465,649**	**9,284,872**

The average interest rate on loans to customers is calculated as interest income on loans to customers divided by monthly average balances of loans to customers. For the year ended 31 December 2024, average interest rate on loans was 16.9% (for the year ended 31 December 2023 – 16.3%).

As at 31 December 2024, the Group's loan concentration to the ten largest borrowers was KZT 2,151,550, which comprised 18% of the Group's total gross loan portfolio (as at 31 December 2023 – KZT 1,745,993 million, 18%) and 70% of the Group's total equity (as at 31 December 2023 – 73%). As at 31 December 2024, the allowance for expected credit losses created against these loans was KZT 18,548 million (as at 31 December 2023 – KZT 17,489 million).

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

The main types of collateral obtained are as follows:

- For securities lending and reverse repurchase transactions – cash or securities;
- For commercial lending – charges over real estate properties, equipment, guarantees of legal entities with external rating not lower than 'B';
- For retail lending – mortgages over residential properties, motor vehicles.

The Group obtained the following financial and non-financial assets during the year by taking possession of collateral held as security against loans and advances and held at the year end. The Group's policy is to realise collateral on a timely basis. The primary purpose of collateral is to reduce the potential credit loss in case of default. Management monitors the market value of collateral obtained during its review of the adequacy of the allowance for expected credit losses.

(Millions of Kazakhstani Tenge)

The table below summarizes the amount of loans secured by type of collateral, rather than the fair value of the collateral itself:

	31 December 2024	31 December 2023
Loans collateralised by mixed types of collateral	2,453,005	1,164,050
Loans collateralised by pledge of real estate or rights thereon	2,265,402	2,392,964
Consumer loans issued within the framework of payroll projects*	2,146,331	1,802,732
Loans collateralised by guarantees	1,223,814	1,093,407
Loans collateralised by pledge of vehicles	738,174	356,266
Loans collateralised by cash	629,848	485,530
Loans collateralised by pledge of corporate shares	399,194	408,871
Loans collateralised by pledge of equipment	293,390	402,584
Loans collateralised by pledge of inventories	164,479	232,602
Unsecured loans	1,725,231	1,435,792
	12,038,868	**9,774,798**
Less – Allowance for expected credit losses	(573,219)	(489,926)
Loans to customers	**11,465,649**	**9,284,872**

*These loans are collateralised by cash to be received in the future from the employees of companies within the framework of salary projects.

Loans are granted to the following sectors:

	31 December 2024	%	31 December 2023	%
Retail loans:				
- consumer loans	3,640,383	30%	2,720,125	28%
- mortgage loans	508,879	4%	392,280	4%
	4,149,262		**3,112,405**	
Services	1,143,985	10%	940,224	10%
Wholesale trade	920,217	8%	828,977	8%
Energy	763,144	6%	509,210	5%
Retail trade	662,041	5%	635,295	6%
Metallurgy	613,974	5%	356,780	4%
Construction	380,757	3%	274,556	3%
Real estate	357,828	3%	333,018	3%
Financial services	357,826	3%	367,719	4%
Machinery	351,955	3%	271,588	3%
Mining	341,200	3%	125,184	1%
Agriculture	336,138	3%	298,939	3%
Food industry	328,982	3%	302,575	3%
Chemical industry	317,733	3%	326,310	3%
Transportation	310,993	2%	330,840	3%
Oil and gas	283,334	2%	360,489	4%
Hotel industry	107,878	1%	72,136	1%
Communication	106,599	1%	155,574	2%
Light industry	75,725	1%	64,007	1%
Other	129,297	1%	108,972	1%
	12,038,868	**100%**	**9,774,798**	**100%**

Restructured and modified loans to customers

The Bank derecognises a financial asset, such as a loan to a customer, if the terms of the contract are renegotiated in such a way that it effectively becomes a new loan and the difference is recognized as a gain or loss on derecognition before an impairment loss is recognized. On initial recognition, loans to customers are classified in Stage 1 for the purpose of estimating expected credit losses, unless the loan originated is considered POCI. If the modification does not result in a significant change in cash flows, then derecognition does not occur. No material gain/(loss) on modification of loans to customers was recognized in 2024 and 2023.

As at 31 December 2024, accrued interest on loans comprised KZT 268,373 million (31 December 2023 – KZT 213,240 million).

During the years ended 31 December 2024 and 2023, the Group received financial and non-financial assets by taking possession of collateral it held as security. As at 31 December 2024 and 2023, such assets of KZT 6,157 million and KZT 22,910 million, respectively, were included in assets classified as held for sale.

As at 31 December 2024 and 2023, loans to customers included loans of KZT 354,105 million and KZT 328,102 million, respectively, for which terms were renegotiated. Otherwise, these loans would be past due.

(Millions of Kazakhstani Tenge)

The following is a reconciliation of the gross carrying amounts at the beginning and end of year:

					31 December 2024
	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the year	**8,992,052**	**51,860**	**700,518**	**30,368**	**9,774,798**
Transfer to Stage 1	96,999	(34,764)	(62,235)	-	-
Transfer to Stage 2	(127,638)	137,065	(9,427)	-	-
Transfer to Stage 3	(229,332)	(82,039)	311,371	-	-
New originations or purchases of financial assets	10,194,661	-	-	-	10,194,661
Assets derecognised or repaid	(5,067,182)	(9,950)	(158,938)	(9,992)	(5,246,062)
Write-offs	-	-	(59,715)	(5,297)	(65,012)
Changes in the gross value of financial assets*	(2,649,921)	4,036	22,102	4,266	(2,619,517)
At the end of the year	**11,209,639**	**66,208**	**743,676**	**19,345**	**12,038,868**

					31 December 2024
Corporate Business	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the year	**4,620,873**	**13,307**	**385,026**	**24,368**	**5,043,574**
Transfer to Stage 1	12,139	(1,997)	(10,142)	-	-
Transfer to Stage 2	(11,080)	11,826	(746)	-	-
Transfer to Stage 3	(41,318)	(1,458)	42,776	-	-
New originations or purchases of financial assets	5,304,179	-	-	-	5,304,179
Assets derecognised or repaid	(3,220,172)	(2,071)	(48,815)	(7,500)	(3,278,558)
Write-offs	-	-	-	(5,147)	(5,147)
Changes in the gross value of financial assets*	(1,064,478)	488	(30,427)	4,249	(1,090,168)
At the end of the year	**5,600,143**	**20,095**	**337,672**	**15,970**	**5,973,880**

(Millions of Kazakhstani Tenge)

					31 December 2024
Retail Business	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
At the beginning of the year	**2,890,959**	**20,966**	**198,334**	**2,146**	**3,112,405**
Transfer to Stage 1	56,371	(22,281)	(34,090)	-	-
Transfer to Stage 2	(84,754)	91,064	(6,310)	-	-
Transfer to Stage 3	(135,288)	(56,665)	191,953	-	-
New originations or purchases of financial assets	2,852,099	-	-	-	2,852,099
Assets derecognised or repaid	(849,161)	(3,081)	(73,427)	(2,046)	(927,715)
Write-offs	-	-	(50,225)	(59)	(50,284)
Changes in the gross value of financial assets*	(882,810)	2,401	42,952	222	(837,235)
At the end of the year	**3,847,416**	**32,404**	**269,187**	**263**	**4,149,270**

					31 December 2024
SME Business	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
At the beginning of the year	**1,480,220**	**17,587**	**117,158**	**3,854**	**1,618,819**
Transfer to Stage 1	28,489	(10,486)	(18,003)	-	-
Transfer to Stage 2	(31,804)	34,175	(2,371)	-	-
Transfer to Stage 3	(52,726)	(23,916)	76,642	-	-
New originations or purchases of financial assets	2,038,383	-	-	-	2,038,383
Assets derecognised or repaid	(997,849)	(4,798)	(36,696)	(446)	(1,039,789)
Write-offs	-	-	(9,490)	(91)	(9,581)
Changes in the gross value of financial assets*	(702,633)	1,147	9,577	(205)	(692,114)
At the end of the year	**1,762,080**	**13,709**	**136,817**	**3,112**	**1,915,718**

(Millions of Kazakhstani Tenge)

					31 December 2023
	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
At the beginning of the year	**7,549,514**	**106,694**	**586,787**	**37,295**	**8,280,290**
Transfer to Stage 1	69,859	(32,039)	(37,820)	-	-
Transfer to Stage 2	(105,912)	112,093	(6,181)	-	-
Transfer to Stage 3	(342,347)	(108,555)	450,902	-	-
New originations or purchases of financial assets	8,151,453	-	-	-	8,151,453
Assets derecognised or repaid	(3,922,697)	(11,348)	(150,225)	(1,599)	(4,085,869)
Write-offs	-	-	(42,970)	(204)	(43,174)
Changes in the gross value of financial assets*	(2,363,817)	(14,714)	(87,169)	(5,124)	(2,470,824)
Disposal of subsidiaries	(44,001)	(271)	(12,806)	-	(57,078)
At the end of the year	**8,992,052**	**51,860**	**700,518**	**30,368**	**9,774,798**

					31 December 2023
Corporate Business	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
At the beginning of the year	**4,046,565**	**72,288**	**302,658**	**27,969**	**4,449,480**
Transfer to Stage 1	12,137	(1,006)	(11,131)	-	-
Transfer to Stage 2	(12,552)	12,552	-	-	-
Transfer to Stage 3	(208,546)	(58,791)	267,337	-	-
New originations or purchases of financial assets	4,462,136	-	-	-	4,462,136
Assets derecognised or repaid	(2,530,102)	(3,826)	(59,213)	(1,113)	(2,594,254)
Write-offs	-	-	(419)	(204)	(623)
Changes in the gross value of financial assets*	(1,140,687)	(7,910)	(109,042)	(2,284)	(1,259,923)
Disposal of subsidiaries	(8,078)	-	(5,164)	-	(13,242)
At the end of the year	**4,620,873**	**13,307**	**385,026**	**24,368**	**5,043,574**

(Millions of Kazakhstani Tenge)

					31 December 2023
Retail Business	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
At the beginning of the year	**2,354,692**	**15,253**	**163,659**	**3,252**	**2,536,856**
Transfer to Stage 1	37,109	(19,105)	(18,004)	-	-
Transfer to Stage 2	(52,774)	57,496	(4,722)	-	-
Transfer to Stage 3	(86,330)	(33,972)	120,302	-	-
New originations or purchases of financial assets	1,979,276	-	-	-	1,979,276
Assets derecognised or repaid	(662,894)	(1,495)	(51,285)	(81)	(715,755)
Write-offs	-	-	(33,001)	-	(33,001)
Changes in the gross value of financial assets*	(665,135)	2,849	22,334	(1,025)	(640,977)
Disposal of subsidiaries	(12,985)	(60)	(949)	-	(13,994)
At the end of the year	**2,890,959**	**20,966**	**198,334**	**2,146**	**3,112,405**

					31 December 2023
SME Business	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
At the beginning of the year	**1,148,257**	**19,153**	**120,470**	**6,074**	**1,293,954**
Transfer to Stage 1	20,613	(11,928)	(8,685)	-	-
Transfer to Stage 2	(40,586)	42,045	(1,459)	-	-
Transfer to Stage 3	(47,471)	(15,792)	63,263	-	-
New originations or purchases of financial assets	1,710,041	-	-	-	1,710,041
Assets derecognised or repaid	(729,701)	(6,027)	(39,727)	(405)	(775,860)
Write-offs	-	-	(9,550)	-	(9,550)
Changes in the gross value of financial assets*	(557,995)	(9,653)	(461)	(1,815)	(569,924)
Disposal of subsidiaries	(22,938)	(211)	(6,693)	-	(29,842)
At the end of the year	**1,480,220**	**17,587**	**117,158**	**3,854**	**1,618,819**

* Changes in the gross value of financial assets include changes in gross carrying amount related to partial repayment of debt, accrual of interest income and foreign exchange differences, as well as repayment of debt previously written off against credit loss expenses.

(Millions of Kazakhstani Tenge)

The movements in accumulated allowances for expected credit losses of loans to customers were as follows:

					31 December 2024
	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
At the beginning of the year	**(122,149)**	**(7,362)**	**(347,655)**	**(12,760)**	**(489,926)**
Transfer to Stage 1	(23,624)	4,790	18,834	-	-
Transfer to Stage 2	5,722	(8,989)	3,267	-	-
Transfer to Stage 3	13,692	14,534	(28,226)	-	-
Changes in risk parameters*	53,354	(18,706)	(119,264)	988	(83,628)
New originations or purchases of financial assets*	(116,935)	-	-	-	(116,935)
Derecognition of financial assets*/**	50,577	643	21,344	7,050	79,614
Recoveries of allowances on previously written-off assets	(1,120)	(33)	(14,872)	(6,441)	(22,466)
Write-offs	-	-	59,716	5,296	65,012
Foreign exchange differences and other movements	(1,702)	189	(3,026)	(351)	(4,890)
At the end of the year	**(142,185)**	**(14,934)**	**(409,882)**	**(6,218)**	**(573,219)**

					31 December 2024
Corporate Business	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
At the beginning of the year	**(21,561)**	**(3,010)**	**(194,810)**	**(11,770)**	**(231,151)**
Transfer to Stage 1	(431)	3	428	-	-
Transfer to Stage 2	73	(274)	201	-	-
Transfer to Stage 3	351	100	(451)	-	-
Changes in risk parameters*	9,070	(5,236)	(17,120)	799	(12,487)
New originations or purchases of financial assets*	(23,401)	-	-	-	(23,401)
Derecognition of financial assets*/**	15,146	-	12,203	6,443	33,792
Recoveries of allowances on previously written-off assets	(22)	-	(5,378)	(5,900)	(11,300)
Write-offs	-	-	-	5,146	5,146
Foreign exchange differences and other movements	(1,415)	184	(2,635)	(341)	(4,207)
At the end of the year	**(22,190)**	**(8,233)**	**(207,562)**	**(5,623)**	**(243,608)**

(Millions of Kazakhstani Tenge)

Retail Business	Stage 1	Stage 2	Stage 3	POCI	31 December 2024 Total
At the beginning of the year	**(81,229)**	**(3,326)**	**(116,332)**	**(169)**	**(201,056)**
Transfer to Stage 1	(19,338)	3,670	15,668	-	-
Transfer to Stage 2	4,877	(7,836)	2,959	-	-
Transfer to Stage 3	11,722	10,498	(22,220)	-	-
Changes in risk parameters*	32,528	(7,801)	(75,876)	328	(50,821)
New originations or purchases of financial assets*	(69,157)	-	-	-	(69,157)
Derecognition of financial assets*/**	23,877	312	4,490	293	28,972
Recoveries of allowances on previously written-off assets	(809)	(24)	(4,623)	(578)	(6,034)
Write-offs	-	-	50,225	59	50,284
Foreign exchange differences and other movements	(67)	(40)	(289)	(4)	(400)
At the end of the year	**(97,596)**	**(4,547)**	**(145,998)**	**(71)**	**(248,212)**

SME Business	Stage 1	Stage 2	Stage 3	POCI	31 December 2024 Total
At the beginning of the year	**(19,359)**	**(1,026)**	**(36,513)**	**(821)**	**(57,719)**
Transfer to Stage 1	(3,855)	1,117	2,738	-	-
Transfer to Stage 2	772	(879)	107	-	-
Transfer to Stage 3	1,619	3,936	(5,555)	-	-
Changes in risk parameters*	11,756	(5,669)	(26,268)	(139)	(20,320)
New originations or purchases of financial assets*	(24,377)	-	-	-	(24,377)
Derecognition of financial assets*/**	11,554	331	4,651	314	16,850
Recoveries of allowances on previously written-off assets	(289)	(9)	(4,871)	37	(5,132)
Write-offs	-	-	9,491	91	9,582
Foreign exchange differences and other movements	(220)	45	(102)	(6)	(283)
At the end of the year	**(22,399)**	**(2,154)**	**(56,322)**	**(524)**	**(81,399)**

(Millions of Kazakhstani Tenge)

					31 December 2023
	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the year	**(113,665)**	**(17,767)**	**(269,840)**	**(21,116)**	**(422,388)**
Transfer to Stage 1	(22,216)	5,356	16,860	-	-
Transfer to Stage 2	4,729	(7,053)	2,324	-	-
Transfer to Stage 3	15,074	20,332	(35,406)	-	-
Changes in risk parameters*	44,670	(9,234)	(176,425)	16,887	(124,102)
New originations or purchases of financial assets*	(99,959)	-	-	-	(99,959)
Derecognition of financial assets*/**	47,400	881	83,904	2,982	135,167
Recoveries of allowances on previously written-off assets	(420)	-	(17,215)	(12,231)	(29,866)
Write-offs	-	-	42,970	204	43,174
Foreign exchange differences and other movements	402	34	2,947	514	3,897
Disposal of subsidiaries	1,836	89	2,226	-	4,151
At the end of the year	**(122,149)**	**(7,362)**	**(347,655)**	**(12,760)**	**(489,926)**

					31 December 2023
Corporate Business	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the year	**(26,828)**	**(13,277)**	**(138,666)**	**(19,280)**	**(198,051)**
Transfer to Stage 1	(5,842)	32	5,810	-	-
Transfer to Stage 2	17	(17)	-	-	-
Transfer to Stage 3	5,277	10,482	(15,759)	-	-
Changes in risk parameters*	7,328	(530)	(70,460)	15,961	(47,701)
New originations or purchases of financial assets*	(21,614)	-	-	-	(21,614)
Derecognition of financial assets*/**	19,454	297	28,834	2,708	51,293
Recoveries of allowances on previously written-off assets	(243)	-	(9,140)	(11,878)	(21,261)
Write-offs	-	-	419	204	623
Foreign exchange differences and other movements	145	3	3,405	515	4,068
Disposal of subsidiaries	745	-	747	-	1,492
At the end of the year	**(21,561)**	**(3,010)**	**(194,810)**	**(11,770)**	**(231,151)**

(Millions of Kazakhstani Tenge)

					31 December 2023
Retail Business	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
At the beginning of the year	**(74,364)**	**(3,108)**	**(93,919)**	**(125)**	**(171,516)**
Transfer to Stage 1	(13,179)	3,815	9,364	-	-
Transfer to Stage 2	3,536	(5,667)	2,131	-	-
Transfer to Stage 3	8,361	7,604	(15,965)	-	-
Changes in risk parameters*	32,887	(6,270)	(83,659)	128	(56,914)
New originations or purchases of financial assets*	(60,306)	-	-	-	(60,306)
Derecognition of financial assets*/**	21,472	227	38,342	1	60,042
Recoveries of allowances on previously written-off assets	-	-	(5,719)	(173)	(5,892)
Write-offs	-	-	33,001	-	33,001
Foreign exchange differences and other movements	(26)	3	(174)	-	(197)
Disposal of subsidiaries	390	70	266	-	726
At the end of the year	**(81,229)**	**(3,326)**	**(116,332)**	**(169)**	**(201,056)**

					31 December 2023
SME Business	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
At the beginning of the year	**(12,473)**	**(1,382)**	**(37,255)**	**(1,711)**	**(52,821)**
Transfer to Stage 1	(3,195)	1,509	1,686	-	-
Transfer to Stage 2	1,176	(1,369)	193	-	-
Transfer to Stage 3	1,436	2,246	(3,682)	-	-
Changes in risk parameters*	4,455	(2,434)	(22,306)	798	(19,487)
New originations or purchases of financial assets*	(18,039)	-	-	-	(18,039)
Derecognition of financial assets*/**	6,474	357	16,728	273	23,832
Recoveries of allowances on previously written-off assets	(177)	-	(2,356)	(180)	(2,713)
Write-offs	-	-	9,550	-	9,550
Foreign exchange differences and other movements	283	28	(284)	(1)	26
Disposal of subsidiaries	701	19	1,213	-	1,933
At the end of the year	**(19,359)**	**(1,026)**	**(36,513)**	**(821)**	**(57,719)**

* Line "Recovery/(Credit loss expense)" in the consolidated statement of profit or loss is comprised from "Changes in risk parameters", "New originations or purchases of financial assets" and "Derecognition of financial assets".
*/** Derecognition of financial assets includes changes in the amount of allowances for expected credit losses on fully repaid loans to customers.

During the years ended 31 December 2024 and 2023, the Group has written off loans of KZT 65,012 million and KZT 43,174 million, respectively, without being considered forgiveness of the loan for tax purposes and are therefore not subject to corporate income tax.

Allowance for expected credit losses and provisions

For the year ended 31 December 2024, credit loss expense on loans to customers comprised KZT 120,949 million (2023: KZT 88,894 million).

Internal rating model for loans to customers

Loans to customers are classified based on internal assessments and other analytical procedures. The respective business units classify loans according to their risk and the exposure that they potentially present to the Group, and this classification is verified by the risk management function.

The Bank and its subsidiaries are using an internal rating model to classify loans in different risk categories. The model assists to assess the risk category based on a borrowers' financial performance, credit history, quality of accounts receivable, liquidity of the borrower, market risks relating to the borrower, industry of the borrower and other factors. At the same time, the rating is an auxiliary criterion in assessing the level of risk and impairment. In addition to the rating, the Bank takes into account such factors as cash flows on the project, the presence of solvent guarantors, a positive credit history, liquid collateral, own participation in the project, etc. The information entered into the system and the assessment of the amount of the expected credit loss is verified by the risk management department.

The following classifications are used by the rating model:

- Rating score 1 - superior loan rating, minimal credit risk;
- Rating score 2 - very high quality of loan, very low credit risk;
- Rating score 3 - high quality of loan, low credit risk;
- Rating score 4 - satisfactory quality of loan, insignificant risk;
- Rating score 5 - credit risk can increase at economic variation;
- Rating score 6 - high risk at economic variation;
- Rating score 7 - high risk of default, in the absence of other factors mentioned above, paying capacity of the borrower depends on favorable economic circumstances;
- Rating score 8 - 10 - very high risk of default/default.

Pools of homogeneous loans – loans to customers are included in groups of loans with similar credit risk characteristics (i.e. the characteristics include sector of the economy, borrower activities, type of loan program, level of defaults, internal ratings and other factors). Pools of homogeneous loans include assets that have been assessed collectively.

(Millions of Kazakhstani Tenge)

An analysis of the Group's credit risk exposure per class of financial asset, internal rating and "stage" without taking into account the effects of any collateral or other credit enhancements is provided in the following table. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

					31 December 2024
Rating score	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**POCI**	**Total**
1-3	-	-	-	-	-
4	1,548,130	-	-	-	1,548,130
5	3,694,038	4,241	8,446	10,311	3,717,036
6	305,689	13,961	174,447	4,715	498,812
7	-	1,895	45,239	1	47,135
8-10	-	-	109,540	943	110,483
Loans to corporate customers that are individually assessed for impairment	5,547,857	20,097	337,672	15,970	5,921,596
Loans to SME customers and retail business that are individually assessed for impairment	1,003,462	8,071	71,508	1,756	1,084,797
Loans to customers that are collectively assessed for impairment	4,658,320	38,040	334,496	1,619	5,032,475
	11,209,639	**66,208**	**743,676**	**19,345**	**12,038,868**
Less – Allowance for expected credit losses	(142,185)	(14,934)	(409,882)	(6,218)	(573,219)
Loans to customers	**11,067,454**	**51,274**	**333,794**	**13,127**	**11,465,649**

					31 December 2023
Rating score	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**POCI**	**Total**
1-3	-	-	-	-	-
4	1,749,142	-	-	-	1,749,142
5	2,623,093	1,866	5,848	10,516	2,641,323
6	214,067	11,283	232,656	4,834	462,840
7	-	-	54,889	610	55,499
8-10	-	-	91,632	8,408	100,040
Loans to corporate customers that are individually assessed for impairment	4,586,302	13,149	385,025	24,368	5,008,844
Loans to SME customers and retail business that are individually assessed for impairment	852,628	12,226	71,803	4,441	941,098
Loans to customers that are collectively assessed for impairment	3,553,122	26,485	243,690	1,559	3,824,856
	8,992,052	**51,860**	**700,518**	**30,368**	**9,774,798**
Less – Allowance for expected credit losses	(122,149)	(7,362)	(347,655)	(12,760)	(489,926)
Loans to customers	**8,869,903**	**44,498**	**352,863**	**17,608**	**9,284,872**

(Millions of Kazakhstani Tenge)

Analysis by credit quality of loans to retail business and SME customers that are collectively and individually assessed for impairment as at 31 December 2024 and 2023 is as follows:

As at 31 December 2024	Gross loans	Allowances for expected credit losses	Net loans
Loans to retail business			
Not past due	3,799,291	(101,495)	3,697,796
Overdue:			
up to 30 days	83,794	(12,314)	71,480
31 to 60 days	29,826	(5,606)	24,220
61 to 90 days	24,691	(5,434)	19,256
91 to 180 days	53,947	(36,592)	17,354
over 180 days	131,768	(82,422)	49,346
Loans to retail business that are collectively and individually assessed for impairment	**4,123,317**	**(243,863)**	**3,879,452**
Loans to SME customers			
Not past due	1,792,340	(31,532)	1,760,808
Overdue:			
up to 30 days	31,409	(3,379)	28,030
31 to 60 days	6,612	(2,061)	4,551
61 to 90 days	5,746	(2,670)	3,076
91 to 180 days	9,806	(6,635)	3,171
over 180 days	69,805	(35,122)	34,683
Loans to SME customers that are collectively and individually assessed for impairment	**1,915,718**	**(81,399)**	**1,834,319**
Loans to SME customers and retail business that are collectively and individually assessed for impairment	**6,039,035**	**(325,262)**	**5,713,773**
Loans to corporate customers that are collectively and individually assessed for impairment	**5,973,880**	**(243,608)**	**5,730,272**
Loans related to card transactions	**25,953**	**(4,349)**	**21,604**
Loans to customers	**12,038,868**	**(573,219)**	**11,465,649**

(Millions of Kazakhstani Tenge)

As at 31 December 2023	Gross loans	Allowances for expected credit losses	Net loans
Loans to retail business			
Not past due	2,862,892	(88,290)	2,774,602
Overdue:			
up to 30 days	64,459	(9,445)	55,014
31 to 60 days	18,532	(3,744)	14,788
61 to 90 days	12,976	(3,090)	9,886
91 to 180 days	26,141	(21,803)	4,338
over 180 days	101,337	(70,547)	30,790
Loans to retail business that are collectively and individually assessed for impairment	**3,086,337**	**(196,919)**	**2,889,418**
Loans to SME customers			
Not past due	1,526,304	(26,208)	1,500,096
Overdue:			
up to 30 days	20,800	(1,413)	19,387
31 to 60 days	10,022	(1,599)	8,423
61 to 90 days	3,530	(1,429)	2,101
91 to 180 days	11,011	(7,095)	3,916
over 180 days	47,152	(19,975)	27,177
Loans to SME customers that are collectively and individually assessed for impairment	**1,618,819**	**(57,719)**	**1,561,100**
Loans to SME customers and retail business that are collectively and individually assessed for impairment	**4,705,156**	**(254,638)**	**4,450,518**
Loans to corporate customers that are collectively and individually assessed for impairment	**5,043,574**	**(231,151)**	**4,812,423**
Loans related to card transactions	**26,068**	**(4,137)**	**21,931**
Loans to customers	**9,774,798**	**(489,926)**	**9,284,872**

12. Investment property

	2024	2023
As at 1 January	**47,326**	**35,541**
Additions	327	16,449
Disposals	(31,828)	(5,393)
Transfers from assets held for sale	8,609	-
Transferred from commercial property	570	657
Transferred from property and equipment	-	37
Gain on revaluation of investment property	12,818	58
Translation differences	-	(23)
As at 31 December	**37,822**	**47,326**

During the years ended 31 December 2024 and 2023, the Group foreclosed collateral it held as a security for loans to customers, and as a result, the Group received investment property of KZT 327 million and KZT 16,449 million, respectively.

As at 31 December 2024 and 2023, there was no investment property that was pledged as collateral for liabilities.

(Millions of Kazakhstani Tenge)

As at 31 December 2024 and 2023, other income includes income in the amount of KZT 3,016 million and KZT 2,534 million, respectively, from the rental of investment real estate.

Operating expenses arising from the investment property that generated rental income during the years ended 31 December 2024 and 2023 were KZT 1,040 million and KZT 1,280 million, respectively.

Investment property owned by the Group was revalued by independent appraisers as at 31 December 2024 and 2023. The fair value of the investment property was estimated based on the income approach and the comparative approach. When estimating the fair value of the properties, their current use is considered the best use and the most effective. There has been no change to the valuation technique during the year. This revaluation resulted in recognition of a revaluation gain in the consolidated statement of profit or loss for the years ended 31 December 2024 and 31 December 2023– KZT 717 million and KZT 58 million, respectively.

As at 31 December 2024 and 2023, in calculating the fair value of the Group's investment property, the valuations were allocated to Level 3 in the amount of KZT 37,822 million and KZT 47,326 million, respectively (the calculation hierarchy is disclosed in Note 36).

13. Commercial property

	2024	**2023**
As at 1 January	**74,882**	**76,538**
Additions	459	19,122
Sale of property	(32,401)	(23,160)
Transfers from assets held for sale	15,724	-
Capitalised expenses	49	3,039
Transfers to fixed assets	(628)	-
Transfer to investment property	(570)	(657)
Loss from revaluation of investment property	(137)	-
As at 31 December	**57,378**	**74,882**

During the years ended 31 December 2024 and 2023, the Group foreclosed collateral it held as a security for loans to customers, and as a result, the Group received commercial property of KZT 459 million and KZT 19,122 million, respectively.

(Millions of Kazakhstani Tenge)

14. Property and equipment and intangible assets

The movements in property and equipment and intangible assets are as follows:

	Buildings and construction	Vehicles	Computers and banking equipment	Construction in progress	Other	Right-of-use assets	Intangible assets	Total
Revalued/initial cost:								
31 December 2023	**137,637**	**6,574**	**61,585**	**21,732**	**31,316**	**8,734**	**32,134**	**299,712**
Additions	975	3,078	22,433	19,120	4,109	2,958	6,876	59,549
Disposals	(505)	(108)	(4,754)	(10)	(790)	(3,371)	(540)	(10,078)
Revaluation	13,909	-	-	(259)	-	-	-	13,650
Reclassification from/(to) assets classified as held for sale	1,508	-	-	-	(1)	-	-	1,507
Transferred from investment property	570	57	-	-	-	-	-	627
Transfers	1,618	19	1,830	(3,883)	339	-	77	-
Translation differences	194	47	345	1,080	1,047	253	(1,530)	1,436
Other changes	-	250	4,266	-	2,374	-	(308)	6,582
31 December 2024	**155,906**	**9,917**	**85,705**	**37,780**	**38,394**	**8,574**	**36,709**	**372,985**
Accumulated depreciation:								
31 December 2023	**3,377**	**3,262**	**28,998**	**-**	**14,839**	**4,279**	**18,787**	**73,542**
Charge	2,294	796	9,123	-	3,043	2,481	2,423	20,160
Disposals	(52)	(61)	(4,655)	-	(762)	(2,168)	(507)	(8,205)
Written off during revaluation	(4,903)	-	-	-	-	-	-	(4,903)
Transfers	2	17	(14)	-	(5)	-	-	-
Translation differences	16	23	176	-	218	107	198	738
Other changes	(13)	248	4,231	-	2,313	(12)	(413)	6,354
31 December 2024	**721**	**4,285**	**37,859**	**-**	**19,646**	**4,687**	**20,488**	**87,686**
Net book value:								
31 December 2024	**155,185**	**5,632**	**47,846**	**37,780**	**18,748**	**3,887**	**16,221**	**285,299**

(Millions of Kazakhstani Tenge)

	Buildings and construction	Vehicles	Computers and banking equipment	Construction in progress	Other	Right-of-use assets	Intangible assets	Total
Revalued/initial cost:								
31 December 2022	**136,378**	**5,042**	**55,292**	**4,136**	**29,794**	**9,158**	**32,030**	**271,830**
Additions	363	1,707	9,677	22,759	4,410	2,509	4,071	45,496
Disposals	(601)	(114)	(2,297)	(6)	(854)	(2,580)	(316)	(6,768)
Revaluation	12	-	-	-	-	-	-	12
Reclassification to assets classified as held for sale	(3,138)	(31)	(862)	-	(1,665)	(92)	(3,079)	(8,867)
Transferred to investment property	(37)	-	-	-	-	-	-	(37)
Transfers	4,815	-	(87)	(4,820)	92	-	-	-
Translation differences	(155)	(30)	(138)	(337)	(461)	(261)	(572)	(1,954)
31 December 2023	**137,637**	**6,574**	**61,585**	**21,732**	**31,316**	**8,734**	**32,134**	**299,712**
Accumulated depreciation:								
31 December 2022	**957**	**2,774**	**24,879**	**-**	**13,390**	**4,327**	**17,715**	**64,042**
Charge	3,079	642	7,103	-	3,093	2,296	2,635	18,848
Disposals	(601)	(110)	(2,255)	-	(829)	(1,943)	(312)	(6,050)
Write-off at revaluation	(68)	(31)	(663)	-	(703)	(38)	(1,139)	(2,642)
Transfers	-	-	24	-	(24)	-	-	-
Translation differences	10	(13)	(90)	-	(88)	(363)	(112)	(656)
31 December 2023	**3,377**	**3,262**	**28,998**	**-**	**14,839**	**4,279**	**18,787**	**73,542**
Net book value:								
31 December 2023	**134,260**	**3,312**	**32,587**	**21,732**	**16,477**	**4,455**	**13,347**	**226,170**

As of 31 December 2024, the increase in construction in progress in the amount of KZT 19,120 million (31 December 2023 - KZT 22,759 million) is due to the construction of the Bank's administrative buildings in Astana and Tashkent, as well as the construction of the Data Center in Astana.

The Group's revaluation policy requires the entire asset class of buildings and construction to be revalued every three years. In the event of significant changes in specific market or property indicators, the Group may opt to perform revaluations more regularly.

The Group had its buildings and properties revalued during 2024 by independent appraisers. The independent appraisers used three approaches to identify the fair value of the property and equipment - the income approach with the income capitalisation method, the comparative approach, using market information to identify the fair value of buildings and properties under active market conditions, and the cost approach when no active market existed for items subject to revaluation.

As at 31 December 2024, when calculating the fair value of the Group's buildings and structures, the measurements were allocated to level 2 in the amount of KZT 155,185 million (31 December 2023: KZT 134,260 million). The description of the calculation hierarchy is disclosed in Note 36.

As at 31 December 2024, the carrying amount of property and equipment that would have been recognised had the assets been carried under the cost model is KZT 185,124 million (31 December 2023: KZT 107,033 million).

15. Assets classified as held for sale and liabilities directly attributable to assets held for sale

After the default of some counterparties on loans to customers, the Group recognised the property pledged as collateral for those loans as assets held for sale at fair value. The assets have been subsequently measured at the lower of fair value less disposal costs or the carrying value, as the Group's management of the appropriate level committed to a plan to sell the assets and an active programme to locate a buyer and complete the plan was initiated.

On 18 April 2024, the Bank completed the sale of 100% of the shares of Halyk Bank Kyrgyzstan OJSC upon receival of consent by the Buyer from the National Bank of the Kyrgyz Republic. As at 31 December 2023, the assets of OJSC Halyk Bank Kyrgyzstan were recognized as assets held for sale.

(Millions of Kazakhstani Tenge)

Assets held for sale comprised the following:

	31 December 2024	31 December 2023
Real estate	7,215	8,671
Land plots	1,583	12,578
Movable property	35	51
Assets held for sale related to OJSC Halyk Bank Kyrgyzstan	-	90,242
Total assets classified as held for sale	**8,833**	**111,542**
Liabilities directly attributable to assets held for sale	-	58,422

The aggregate results of OJSC Halyk Bank Kyrgyzstan before the disposal date (18 April 2024) included in the consolidated statement of profit or loss are KZT 447 million (for the year ended 31 December 2023: KZT 1,907 million).

The principal classes of assets, net of impairments, and liabilities of OJSC Halyk Bank Kyrgyzstan as at 18 April 2024 and 31 December 2023 were as follows:

	18 April 2024	31 December 2023
Cash and cash equivalents	49,222	27,446
Obligatory reserves	4,785	2,897
Amounts due from credit institutions	113	71
Debt securities at amortized cost, net of allowance for expected credit losses	9,884	5,756
Loans to customers	37,238	41,585
Property and equipment and intangible assets	5,461	5,263
Long term assets classified as held for sale	303	418
Other assets	2,410	3,055
Assets of OJSC Halyk Bank Kyrgyzstan held for sale, net of impairment	**109,416**	**86,491**
Amounts due to customers	74,431	52,866
Amounts due to credit institutions	16,278	3,086
Provisions	126	136
Deferred tax liability	426	447
Other liabilities	2,067	1,887
Liabilities of OJSC Halyk Bank Kyrgyzstan directly related to assets held for sale	**93,328**	**58,422**
Net assets of OJSC Halyk Bank Kyrgyzstan held for sale	**16,088**	**28,096**

(Millions of Kazakhstani Tenge)

As a result of the reclassification of OJSC Halyk Bank Kyrgyzstan, the Group recognised an impairment loss of KZT 3,751 million for the year ended 31 December 2023 in the consolidated income statement. The amount of remuneration received from the sale of subsidiary is KZT 15,663 million.

In November 2024, the Group independently assessed its assets held for sale and based on the results, recognised an impairment loss of KZT 60 million, included in the " Loss from impairment of assets held for sales " in the consolidated statement of profit or loss.

The fair value of the Group's non-current assets held for sale has been determined by independent appraisers. To assess the fair value of non-current assets, the company used the income, comparative and cost approaches. To assess the fair value of real estate, the most efficient and most efficient use of real estate is its current use. During the year, there were no changes in the assessment methodology.

Details of the Group's assets held for sale and information about the fair value hierarchy as at 31 December 2024 and 2023 are as follows:

	Level 2	Level 3	Total
31 December 2024			
Real estate	2,688	4,527	7,215
Land plots	-	1,583	1,583
Movable property	-	35	35
31 December 2023			
Real estate	2,703	5,968	8,671
Land plots	-	12,578	12,578
Movable property	-	51	51
Net assets of OJSC Halyk Bank Kyrgyzstan held for sale	-	28,096	28,096

(Millions of Kazakhstani Tenge)

16. Insurance contract assets and liabilities

Liabilities for the remaining part of the insurance coverage and liabilities for incurred insurance losses at the beginning and end of the reporting period:

					31 December 2024
	Liabilities for the remaining portion of coverage		Liabilities for incurred claims using the premium allocation method		
	Excluding loss component	Loss Component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Liabilities under insurance contracts at the beginning	199,401	7,451	49,849	16,364	**273,065**
Assets under insurance contracts at the beginning	10,289	-	-	-	**10,289**
Total as at 31 December 2024	**189,112**	**7,451**	**49,849**	**16,364**	**262,776**
Insurance revenue	**(259,923)**	**-**	**-**	**-**	**(259,923)**
Insurance expense:					
Incurred insurance losses and other incurred costs for insurance services	-	-	70,821	(227)	**70,594**
Changes attributed to past periods	-	-	10,150	(1,367)	**8,783**
Losses under groups of onerous contracts and restoration of such losses	-	(377)	-	-	**(377)**
Amortization of acquisition cash flows	69,200	-	-	-	**69,200**
Total expenses for insurance services taken into account in the assessment of liabilities	**69,200**	**(377)**	**80,971**	**(1,594)**	**148,200**
Result of insurance activities	(190,723)	(377)	80,971	(1,594)	**(111,723)**
Financial expenses or income from insurance contracts issued	20,602	495	9,295	(4,126)	**26,266**
Expenses/(income) from the revaluation of foreign currency	5,269	(204)	-	-	**5,065**
Total amounts recognized in profit or loss	**(164,852)**	**(86)**	**90,266**	**(5,720)**	**(80,392)**
Other changes	(8,037)	-	8,037	-	**-**
Cash flows for the period:					
Premiums received under insurance contracts issued	394,396	-	-	-	**394,396**
Payments for insurance losses and other expenses for insurance services paid under issued insurance contracts	-	-	(84,304)	-	**(84,304)**
Acquisition cash flows	(70,279)	-	-	-	**(70,279)**
Total cash flows	**324,117**	**-**	**(84,304)**	-	**239,813**
Change in reserves for the year	**151,228**	**(86)**	**13,999**	**(5,720)**	**159,421**
Liabilities under insurance contracts at the end of the period	340,908	7,365	71,402	10,645	430,320
Assets under insurance contracts at the end of the period	-	-	2,314	-	2,314
Total as at 31 December 2024	**340,908**	**7,365**	**69,088**	**10,645**	**428,006**

(Millions of Kazakhstani Tenge)

					31 December 2023
	Liabilities for the remaining portion of coverage		**Liabilities for incurred claims using the premium allocation method**		
	Excluding loss component	**Loss Component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**
Liabilities under insurance contracts at the beginning	175,050	6,878	35,690	5,690	**223,308**
Assets under insurance contracts at the beginning	4,094	-	-	-	**4,094**
Total as at 31 December 2023	170,956	6,878	35,690	5,690	**219,214**
Insurance revenue	(239,189)	-	-	-	**(239,189)**
Insurance expense:					
Incurred insurance losses and other incurred costs for insurance services	-	(1,963)	63,214	17,791	**79,042**
Changes attributed to past periods	-	-	12,624	3,002	**15,626**
Losses under groups of onerous contracts and restoration of such losses	-	1,377	-	-	**1,377**
Amortization of acquisition cash flows	35,802	-	-	-	**35,802**
Total expenses for insurance services taken into account in the assessment of liabilities	**35,802**	**(586)**	**75,838**	**20,793**	**131,847**
Result of insurance activities	(203,387)	(586)	75,838	20,793	**(107,342)**
Financial expenses or income from insurance contracts issued	3,465	1,159	376	36	**5,036**
Expenses from the revaluation of foreign currency	(1,407)	-	-	-	**(1,407)**
Total amounts recognized in profit or loss	**(201,329)**	**573**	**76,214**	**20,829**	**(103,713)**
Other changes	644	-	-	-	**644**
Cash flows for the period:					
Premiums received under insurance contracts issued	260,959	-	-	-	**260,959**
Payments for insurance losses and other expenses for insurance services paid under issued insurance contracts	-	-	(62,055)	(10,155)	**(72,210)**
Acquisition cash flows	(42,118)	-	-	-	**(42,118)**
Total cash flows	**219,485**	**-**	**(62,055)**	**(10,155)**	**147,275**
Change in reserves for the year	**(18,156)**	**573**	**14,159**	**10,674**	**43,562**
Liabilities under insurance contracts at the end of the period	199,401	7,451	49,849	16,364	273,065
Assets under insurance contracts at the end of the period	10,289	-	-	-	10,289
Total as at 31 December 2023	**189,112**	**7,451**	**49,849**	**16,364**	**262,776**

(Millions of Kazakhstani Tenge)

The table below shows the carrying amounts of portfolio assets and liabilities under insurance and reinsurance contracts as of the end of the reporting period for each class of activity:

											31 December 2024
	Employer lability Annuities	Pension annuities	Endowment insurance	Term life insurance	Short-term agreements	Health insurance	Mandatory liability insurance for vehicle owners	Property insurance	Motor transport and liability insurance	Other	Total
Assets under issued insurance contracts	-	-	-	-	(4)	(1,313)	(325)	(55)	(405)	(212)	(2,314)
Liabilities under issued insurance contracts	28,742	202,279	34,388	10,742	76,107	2,669	13,304	35,542	10,757	15,790	430,320
Net amount	**28,742**	**202,279**	**34,388**	**10,742**	**76,103**	**1,356**	**12,979**	**35,487**	**10,352**	**15,578**	**428,006**

											31 December 2023
	Employer lability Annuities	Pension annuities	Endowment insurance	Term life insurance	Short-term agreements	Health insurance	Mandatory liability insurance for vehicle owners	Property insurance	Motor transport and liability insurance	Other	Total
Assets under issued insurance contracts	-	-	-	-	(78)	(24)	-	(9,335)	(89)	(763)	(10,289)
Liabilities under issued insurance contracts	14,055	116,973	70,593	3,319	37,242	1,860	4,239	10,654	9,532	4,598	273,065
Net amount	**14,055**	**116,973**	**70,593**	**3,319**	**37,164**	**1,836**	**4,239**	**1,319**	**9,443**	**3,835**	**262,776**

(Millions of Kazakhstani Tenge)

The Group used the following yield curves to discount cash flows:

		Life insurance					General insurance				
31 December 2024	**Currency**	**1 year**	**5 years**	**10 years**	**20 years**	**30 years**	**1 year**	**5 years**	**10 years**	**20 years**	**30 years**
Insurance contracts	KZT	13.6%	11.5%	11.3%	11.3%	11.3%	14.9%	11.9%	9.6%	-	-
	USD	4.6%	4.4%	4.4%	4.5%	4.2%	-	-	-	-	-
31 December 2023	**Currency**	**1 year**	**5 years**	**10 years**	**20 years**	**30 years**	**1 year**	**5 years**	**10 years**	**20 years**	**30 years**
Insurance contracts	KZT	15.7%	12.6%	11.3%	10.9%	10.8%	16.4%	10.2%	10.2%	-	-
	USD	4.8%	3.5%	3.4%	3.5%	3.2%	-	-	-	-	-

(Millions of Kazakhstani Tenge)

An analysis of the concentration of the Group's insurance risks (both before and after reinsurance) by business class and by region is given in the following tables:

	31 December 2024			31 December 2023		
	Net assets and liabilities under insurance contracts issued	Net assets and liabilities under reinsurance contracts held	Net amount	Net assets and liabilities under insurance contracts issued	Net assets and liabilities under reinsurance contracts held	Net amount
Employer liability annuities	28,742	-	28,742	14,055	-	14,055
Pension annuities	202,279	-	202,279	116,973	-	116,973
Endowment insurance	34,388	-	34,388	70,594	-	70,594
Term life insurance	10,742	(7,967)	2,775	3,319	(4,616)	(1,297)
Short-term contracts	76,103	(6,621)	69,482	37,164	(6,500)	30,664
Health insurance	1,356	(73)	1,283	1,836	(36)	1,800
Mandatory liability insurance for vehicle owners	12,979	-	12,979	4,239	-	4,239
Property insurance	35,487	(14,896)	20,591	1,319	(4,069)	(2,750)
Motor transport and liability insurance	10,352	(92)	10,260	9,443	(108)	9,335
Other	15,578	(8,751)	6,827	3,835	(2,126)	1,709
Total	**428,006**	**(38,400)**	**389,606**	**262,776**	**(17,455)**	**245,321**

(Millions of Kazakhstani Tenge)

	31 December 2024			31 December 2023		
	Net assets and liabilities under insurance contracts issued	Net assets and liabilities under reinsurance contracts held	Net amount	Net assets and liabilities under insurance contracts issued	Net assets and liabilities under reinsurance contracts held	Net amount
Concentration by region						
Kazakhstan	379,531	17,705	361,826	205,910	5,562	200,348
OECD	214	8,938	(8,724)	(3,581)	(2,006)	(1,575)
Non-OECD	2,284	5,504	(3,220)	(5,772)	1,818	(7,590)
	382,029	**32,147**	**349,882**	**196,557**	**5,374**	**191,183**

	31 December 2024			31 December 2023		
	Liabilities for incurred losses	Reinsurance assets for losses incurred	Net amount	Liabilities for incurred losses	Reinsurance assets for losses incurred	Net amount
Concentration by region						
Kazakhstan	45,977	6,253	39,724	65,279	12,063	53,216
OECD	-	-	-	394	10	384
Non-OECD	-	-	-	546	8	538
	45,977	**6,253**	**39,724**	**66,219**	**12,081**	**54,138**

(Millions of Kazakhstani Tenge)

The table below summarizes actual claims compared to historical estimates of undiscounted claims. The Group discloses the gross and net amounts of claims arising during the 10 years prior to the reporting period. The Group reconciles the liabilities for incurred claims presented in the table with the aggregate carrying value of groups of insurance contracts.

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Estimates of undiscounted gross claims											
At the end of the year of the insured event	2,319	3,167	9,188	30,664	7,354	11,023	17,952	18,538	25,870	36,620	-
after one year	2,727	2,510	5,026	6,994	5,533	6,560	10,712	15,068	20,690	-	-
after two years	2,376	3,335	6,142	6,246	5,319	5,690	10,080	12,912	-	-	-
after three years	2,366	3,701	6,538	5,296	4,763	3,392	7,202	-	-	-	-
after four years	2,504	3,559	4,425	5,003	3,386	3,747	-	-	-	-	-
after five years	2,424	3,653	4,165	3,842	3,952	-	-	-	-	-	-
after six years	2,637	3,491	3,433	4,409	-	-	-	-	-	-	-
after seven years	2,520	2,961	4,786	-	-	-	-	-	-	-	-
after eight years	2,301	3,209	-	-	-	-	-	-	-	-	-
after nine years	2,326	-	-	-	-	-	-	-	-	-	-
Cumulative gross amount of claims paid	(1,926)	(2,370)	(845)	89,374	3,258	2,270	8,000	10,405	8,720	(10,817)	106,070
Gross amount of liabilities for the period of the insured event from 2015 to 2024	**400**	**839**	**3,941**	**93,783**	**7,210**	**6,017**	**15,202**	**23,317**	**29,410**	**25,803**	**205,924**
Gross amount of liabilities for the years preceding the insured event	-	-	-	-	-	-	-	-	-	-	31,154
Discounting effect	-	-	-	-	-	-	-	-	-	-	2,209
Effect of risk adjustment on non-financial risk	-	-	-	-	-	-	-	-	-	-	5,485
Gross liability for claims incurred	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**68,246**

(Millions of Kazakhstani Tenge)

Net amount of claims

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Estimates of undiscounted gross claims											
At the end of the year of the insured event	1,847	1,721	4,012	4,997	5,690	7,056	9,972	16,413	23,639	35,070	-
after one year	1,570	2,191	3,321	4,439	4,673	5,005	8,842	14,107	19,222	-	-
after two years	1,384	2,412	3,710	4,232	4,807	5,316	8,594	12,511	-	-	-
after three years	1,497	2,734	2,909	3,939	4,428	3,100	6,390	-	-	-	-
after four years	1,629	2,595	3,055	4,076	3,067	3,886	-	-	-	-	-
after five years	1,566	2,665	3,205	3,036	3,655	-	-	-	-	-	-
after six years	1,824	2,789	2,580	3,455	-	-	-	-	-	-	-
after seven years	1,699	2,344	3,546	-	-	-	-	-	-	-	-
after eight years	1,546	2,511	-	-	-	-	-	-	-	-	-
after nine years	1,544	-	-	-	-	-	-	-	-	-	-
Cumulative gross amount of claims paid	(1,207)	(1,853)	(446)	367	330	1,456	2,804	7,799	5,263	(10,796)	3,715
Gross amount of liabilities for the period of the insured event from 2015 to 2024	**337**	**657**	**3,099**	**3,822**	**3,985**	**5,342**	**9,194**	**20,310**	**24,485**	**24,274**	**95,506**
Gross amount of liabilities for the years preceding the insured event	-	-	-	-	-	-	-	-	-	-	24,843
Discounting effect	-	-	-	-	-	-	-	-	-	-	4,399
Effect of risk adjustment on non-financial risk	-	-	-	-	-	-	-	-	-	-	4,593
Gross liability for claims incurred	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**64,671**

(Millions of Kazakhstani Tenge)

Maturity analysis for portfolios of insurance contracts issued and reinsurance contracts held that represent liabilities

The following disclosure notes do not include the complete information required by IFRS 7. In order to better understand the specifics of the disclosures required by IFRS 17, some of the disclosures required by IFRS 7 for financial instruments have been included. IFRS 17:132(b) provides entities with two options for maturity analysis: (a) by the estimated maturity of the remaining undiscounted net cash flows contractually contemplated; or (b) the estimated timing of valuations of the present value of future cash flows.

The following table discloses information only in relation to insurance products, which have a material long-term component.

31 December 2024	Book value	Less than a year	1-5 years	5-10 years	10-20 years	More than 20 years
Pension annuities	164,405	19,886	118,600	11,531	10,189	4,199
Halyk Kazyna	17,715	830	14,471	1,796	618	-
Total	**182,120**	**20,716**	**133,071**	**13,327**	**10,807**	**4,199**

31 December 2023	Book value	Less than a year	1-5 years	5-10 years	10-20 years	More than 20 years
Pension annuities	51,310	30,949	9,645	5,257	3,836	1,624
Halyk Kazyna	15,112	3,712	9,859	662	880	-
Total	**66,422**	**34,661**	**19,504**	**5,919**	**4,716**	**1,624**

(Millions of Kazakhstani Tenge)

17. Other assets

Other assets include:

	31 December 2024	31 December 2023
Other financial assets:		
Debtors for banking activities	78,456	75,693
Finance lease receivables	26,852	17,273
Debtors for non-banking activities	10,877	13,115
Accrued commission income	7,819	7,207
Other	115	134
	124,119	**113,422**
Less – Allowance for expected credit losses	(36,242)	(31,656)
	87,877	**81,766**
Other non-financial assets:		
Investments in associated organizations	59,227	51,464
Prepayment for property and equipment	18,336	8,042
Prepaid taxes, excluding income tax	9,767	9,204
Inventory	5,634	7,725
Other investments	4,826	3,874
Prepayment for investment property	3,863	2,737
Goodwill	3,055	3,055
Precious metals	1,431	2,253
Other	3,167	3,542
	109,306	**91,896**
	197,183	**173,662**

As at 31 December 2024, investments in associated organizations include investments in JSC Altyn Bank (SB of China CITIC Bank Corporation Ltd.) in the amount of KZT 59,092 million and Open Travel Networks Ltd in the amount of KZT 135 million (31 December 2023 – KZT 51,195 million and KZT 269 million, respectively).

(Millions of Kazakhstani Tenge)

Finance lease receivables include:

	31 December 2024	31 December 2023
Amounts receivable under finance leases:		
Year 1	9,091	6,063
Year 2	8,554	4,967
Year 3	10,631	4,212
Year 4	2,931	3,395
Year 5	2,306	2,527
Onwards	6,449	6,542
Undiscounted lease payments	39,962	27,706
Less: unearned financial income	(13,110)	(10,433)
Present value of lease payments receivable	**26,852**	**17,273**
Impairment loss allowance	(1,418)	(1,024)
Net investment in lease	**25,434**	**16,249**
Net investment in the lease analysed as:		
Recoverable after 12 months	6,487	4,029
Recoverable within 12 months	18,947	12,220
Net investment in lease	**25,434**	**16,249**

Below is a reconciliation of gross book value of other financial assets at the beginning and end of the year:

				31 December 2024
	Stage 1	Stage 2	Stage 3	Total
At the beginning of the period	**23,445**	**34**	**89,943**	**113,422**
Transfer to Stage 2	-	62	(62)	-
Transfer to Stage 3	39	-	(39)	-
Changes in risk parameters*	7,443	1,002	3,874	12,319
Write-offs	-	-	(2,179)	(2,179)
Foreign exchange differences and other movements	80	-	477	557
At the end of the period	**31,007**	**1,098**	**92,014**	**124,119**

				31 December 2023
	Stage 1	Stage 2	Stage 3	Total
At the beginning of the period	**44,761**	**572**	**66,295**	**111,628**
Transfer to Stage 1	2,194	-	(2,194)	-
Transfer to Stage 2	-	561	(561)	-
Transfer to Stage 3	(3,222)	(7)	3,229	-
Changes in risk parameters*	(19,736)	(1,092)	26,874	6,046
Write-offs	-	-	(3,662)	(3,662)
Foreign exchange differences and other movements	(552)	-	(38)	(590)
At the end of the period	**23,445**	**34**	**89,943**	**113,422**

(Millions of Kazakhstani Tenge)

Movements in accumulated provisions for expected credit losses on other assets are as follows:

				31 December 2024
	Stage 1	Stage 2	Stage 3	Total
At the beginning of the period	**(584)**	**(6)**	**(31,066)**	**(31,656)**
Transfer to Stage 2	-	(163)	163	-
Transfer to Stage 3	57	-	(57)	-
Changes in risk parameters*	(627)	(846)	(5,173)	(6,646)
Recoveries of allowances on previously written-off assets	-	-	(1,053)	(1,053)
Write-offs	-	-	2,185	2,185
Foreign exchange differences and other movements	(8)	11	925	928
At the end of the period	**(1,162)**	**(1,004)**	**(34,076)**	**(36,242)**

				31 December 2023
	Stage 1	Stage 2	Stage 3	Total
At the beginning of the period	**(1,043)**	**(580)**	**(31,819)**	**(33,442)**
Transfer to Stage 1	(8)	-	8	-
Transfer to Stage 2	-	(560)	560	-
Transfer to Stage 3	36	20	(56)	-
Changes in risk parameters*	394	1,114	(1,688)	(180)
Recoveries of allowances on previously written-off assets	-	-	(160)	(160)
Write-offs	-	-	547	547
Foreign exchange differences and other movements	37	-	1,542	1,579
At the end of the period	**(584)**	**(6)**	**(31,066)**	**(31,656)**

* The item “Expected credit loss expense” in the consolidated income statement consists of the following items: “Changes in risk parameters”, “New issues or acquisitions of financial assets” and “Derecognition of financial assets”.

18. Amounts due to customers

Amounts due to customers include the following:

	31 December 2024	31 December 2023
Recorded at amortised cost:		
Term deposits:		
Individuals	6,063,129	4,808,592
Legal entities	3,811,441	3,338,099
	9,874,570	**8,146,691**
Current accounts:		
Legal entities	1,978,239	1,762,760
Individuals	1,137,234	1,020,053
	3,115,473	**2,782,813**
Total amount due to customers	**12,990,043**	**10,929,504**

(Millions of Kazakhstani Tenge)

As at 31 December 2024, the Group's ten largest groups of related customers accounted for approximately 8% of the total amounts due to customers (31 December 2023 – 11%), where each group of related customers represents customers related to each other within that group.

As at 31 December 2024, amounts due to customers included amounts held as collateral of KZT 186,619 million (31 December 2023 – KZT 171,838 million).

Management believes that in the event of withdrawal of funds, the Group would be given sufficient notice so as to realise its liquid assets to enable repayment.

An analysis of customer accounts by sector is as follows:

	31 December 2024	%	31 December 2023	%
Individuals and entrepreneurs	7,200,363	55%	5,828,645	54%
Wholesale trade	1,020,073	8%	842,830	8%
Other consumer services	825,805	6%	679,724	6%
Oil and gas	588,046	5%	454,390	4%
Construction	544,728	4%	557,885	5%
Transportation	422,244	3%	404,404	4%
Financial sector	418,183	3%	457,576	4%
Metallurgy	387,855	3%	357,750	3%
Healthcare and social services	295,352	2%	262,791	2%
Energy	232,073	2%	106,071	1%
Education	191,908	1%	161,137	1%
Government and state-controlled companies	131,667	1%	103,978	1%
Communication	106,650	1%	131,413	1%
Insurance and pension funds activity	18,799	1%	97,300	1%
Other	606,297	5%	483,610	4%
	12,990,043	**100%**	**10,929,504**	**100%**

(Millions of Kazakhstani Tenge)

19. Amounts due to credit institutions

Amounts due to credit institutions comprise:

	31 December 2024	31 December 2023
Recorded at amortised cost:		
Loans and deposits from OECD based banks	332,386	143,511
Correspondent accounts	136,803	60,205
Loans from JSC Entrepreneurship Development Fund DAMU	91,839	84,991
Loans from JSC Development Bank of Kazakhstan	80,605	80,873
Loans from JSC Agrarian Credit Corporation	65,378	27,923
Loans and deposits from Kazakhstan banks (incl. loans under repurchase agreements)	47,683	285,349
Loans and deposits from non-OECD based banks	28,740	64,404
Loans from JSC Industrial Development Fund	26,497	22,637
Deposits of JSC "National Payment Corporation of the National Bank of the Republic of Kazakhstan"	4,138	6,890
Loans from other financial institutions	-	1,528
	814,069	**778,311**

As of 31 December 2024, the Group raised a syndicated loan consisting of two tranches of USD 200 million and USD 100 million maturing on 16 September 2027 and 16 September 2025, respectively.

As at 31 December 2024, loans from JSC Entrepreneurship Development Fund DAMU (“DAMU”) included long-term loans of KZT 84,406 million at a 1.0% - 4.5% interest rate maturing in 2025 – 2035 with an early recall option (31 December 2023: KZT 82,905 million). These loans were received in accordance with the Government program (“the Program”) to finance small and medium enterprises (“SME”) operating in certain industries. According to the loan agreements between DAMU and the Group, the Group is responsible to extend loans to SME borrowers, eligible to participate in the Program, up to 10 years at a 5.0% interest rate.

As at 31 December 2024, the Group entered into an agreement with loans from DAMU to provide a credit line to finance women's entrepreneurship in the amount of KZT 5,500 million with a maturity date until 2031, according to the terms of the loan agreement, loans are issued at a rate of 12.5%, subject to the receipt of sufficient collateral.

As at 31 December 2024, the Group entered into an agreement with loans from DAMU to provide a credit line to finance leasing transactions of small and medium-sized businesses in the amount of KZT 1,315 million (31 December 2023 - KZT 1,665 million) with a maturity date until 2028, according to the terms of the loan agreement, loans are issued at a rate of 13%, subject to the receipt of sufficient collateral.

As at 31 December 2024, loans from JSC Development Bank of Kazakhstan (hereinafter referred to as "DBK") included long-term loans of KZT 36,982 million (31 December 2023: KZT 36,844 million) at a rate of 2.0% per annum maturing in 2029-2037, the loans are to be used for on-lending to large business entities ("LB") operating in the manufacturing industry; and long-term loans of KZT 43,624 million (31 December 2023: KZT 43,796 million) at a rate of 1.0% per annum maturing in 2035 to finance the purchase of cars by the Group's retail customers. According to the loan agreement between DBK and the Group, the Group is responsible for providing loans to corporate borrowers eligible to participate in the Program at a rate of 6.0% with a repayment term of no more than 10 years, and to retail borrowers at a rate of 4.0% with a repayment term of no more than 5 years.

As of 31 December 2024, loans from JSC Agrarian Credit Corporation under the annual Ken Dala program included short-term loans of KZT 65,315 million (31 December 2023 – KZT 27,775 million) at a rate of 1.5% per annum with a maturity date of 10 March 2026. The loans should be used for subsequent lending to entities of the agro-industrial complex for spring sowing and harvesting work with an interest rate of up to 4.0%-5.0% per annum for the end borrower, with a loan term of up to 1 November 2025. According to the loan agreements between JSC Agrarian Credit Corporation and the Group, loans are provided to replenish working capital for spring sowing and harvesting work.

As at 31 December 2024, loans from Industrial Development Fund JSC ("IRF") included long-term loans of KZT 15,531 million (31 December 2023 – KZT 22,500 million) at a rate of 1.0% per annum maturing in 2030 to finance the purchase of domestically produced cars by the Group's retail customers. According to the loan agreements between IRF and the Group, the Group is responsible for providing loans to retail borrowers at a rate of 4.0% with a maturity of no more than 7 years. On 23 April 2024, IRF and the Group entered into Additional Agreement No. 4, according to which the terms were changed in terms of terminating financing of second-tier banks of end borrowers under the revolving mechanism and reducing the loan term to 31 July 2030.

The management of the Group believes that there are no other similar financial instruments and, due to their special nature, these loans from DAMU, IDF, JSC Agrarian Credit Corporation and DBK represent separate segments in the lending market for agricultural entities and SME. As a result, the loans from DAMU, IDF, JSC Agrarian Credit Corporation and DBK were received as part of an orderly transaction and, as such, were recorded at fair value at the date of recognition, which was determined to be the cash consideration transferred to the customers.

(Millions of Kazakhstani Tenge)

Interest rates and maturities of amounts due to credit institutions are as follows:

	31 December 2024		31 December 2023	
	Interest rate, %	Maturity, year	Interest rate, %	Maturity, Year
Loans and deposits from OECD based banks	5.0%-17.0%	2025-2029	6.0%-6.8%	2024-2025
Loans from JSC Entrepreneurship Development Fund DAMU	1.0%-13.0%	2025-2035	1.0%-13.0%	2024-2035
Loans from JSC Development Bank of Kazakhstan	1.0%-2.0%	2029-2037	1.0%-2.0%	2029-2037
Loans from JSC Agrarian Credit Corporation	1.5%	2025-2026	1.5%-5.0%	2024-2025
Loans and deposits from Kazakhstan banks (incl. loans under repurchase agreements)	8.0%-15.1%	2025-2029	4.0%-17.0%	2024-2026
Loans and deposits from non-OECD based banks	1.2%-8.0%	2025	3.0%-25.0%	2024-2027
Loans from JSC Industrial Development Fund	1.0%-17.0%	2029-2030	1.0%	2052
Deposits of JSC "National Payment Corporation of the National Bank of the Republic of Kazakhstan"	13.8%	2025	14.8%	2024
Loans from other financial institutions	-	-	15.0%	2024

The fair value of assets pledged (Notes 7, 9 and 10) and the carrying value of loans included in loans and deposits from Kazakhstan banks under repurchase agreements as at 31 December 2024 and 2023, are as follows:

	31 December 2024		31 December 2023	
	Fair value of collateral	Carrying amount of loans	Fair value of collateral	Carrying amount of loans
Financial assets at fair value through other comprehensive income	196,881	159,045	188,100	147,042
Debt securities at amortised cost, net of allowance for expected credit losses	37,607	37,581	269,231	268,663
Financial assets at fair value through profit or loss	7,554	7,666	12,110	12,098
	242,042	**204,292**	**469,441**	**427,803**

Details of transferred financial assets that are not derecognised in their entirety as at 31 December 2024 and 2023 are disclosed below.

Loans under repurchase agreements are used by the Group to provide current cash flows in KZT within the Group's operating activities. The Group regularly uses this type of instrument to attract short-term liquidity and plans to continue raising funds through loans under repurchase agreements when necessary.

(Millions of Kazakhstani Tenge)

The Group has determined that it retains substantially all the risks and rewards of these securities, which include credit risk and market risk, and therefore it has not amortized them. In addition, the Group recognises financial liabilities in respect of cash received as collateral.

	Debt securities at amortised cost, net of allowances for expected credit loss (Note 10)	Financial assets at fair value at value through profit or loss (Note 7)	Financial assets at fair value through other comprehensive income (Note 9)
As at 31 December 2024:			
Carrying amount of transferred assets	37,607	7,554	196,881
Carrying amount of associated liabilities	37,581	7,666	159,045
As at 31 December 2023:			
Carrying amount of transferred assets	269,231	12,110	188,100
Carrying amount of associated liabilities	268,663	12,098	147,042

Certain of the Group's outstanding financing agreements include covenants restricting the Group's ability to create security interests over its assets. Should the Group default under these covenants, this could result in cross-accelerations and cross-defaults under the terms of the Group's other financing arrangements.

The Group's management believes that as at 31 December 2024 and 2023, the Group was in compliance with the covenants.

20. Debt securities issued

Debt securities issued comprise:

	31 December 2024	31 December 2023
Recorded at amortised cost:		
Subordinated debt securities issued:		
KZT denominated bonds, fixed rate	98,747	94,246
Total subordinated debt securities outstanding	**98,747**	**94,246**
Unsubordinated debt securities issued:		
KZT denominated bonds	296,178	234,344
USD denominated bonds	484,287	324,803
Total unsubordinated debt securities outstanding	**780,465**	**559,147**
Total debt securities outstanding	**879,212**	**653,393**

On 6 February 2023, the Group repurchased USD 100 million of AIX-listed bonds with a coupon rate of 2.5% issued on 1 June 2022.

On 17 May 2023, the Group issued USD 200 million of AIX-listed bonds with a coupon rate of 3.5%, of which USD 190 million had been placed as of 31 December 2024.

(Millions of Kazakhstani Tenge)

On 29 May 2023, the Group issued USD 300 million of AIX-listed bonds with a coupon rate of 3.5%, of which USD 298 million had been placed as of 31 December 2024.

On July 3, 2023, the Group issued bonds listed on AIX for a total amount of USD 500 million with a coupon rate of 3.5%, of which USD 423.5 million had been placed as of 31 December 2024.

On 4 June 2024, the Group issued bonds for a total amount of KZT 290,000 million with a floating interest rate listed on the KASE, of which KZT 39,135 million was placed on 25 July 2024, KZT 100,828 million on 20 December 2024 and KZT 207 million on 24 December 2024, with a coupon rate of 12.8% per annum for the first coupon period, of which KZT 140,169 million had been placed as of 31 December 2024.

On 17 October 2024, the Group issued green bonds for a total amount of KZT 20,000 million with a floating interest rate, listed on the KASE, of which KZT 20,000 million was placed on 3 December 2024, with a coupon rate of TONIA Compounded plus a margin of 1.3% per annum, of which KZT 20,000 million had been issued as of 31 December 2024.

The coupon rates and maturities of these debt securities issued are as follows:

	31 December 2024		31 December 2023	
	Coupon rate, %	**Maturity, year**	**Coupon rate, %**	**Maturity, year**
Subordinated debt securities issued:				
KZT denominated bonds, fixed rate	9.5%	2025	9.5%	2025
Unsubordinated debt securities issued:				
KZT denominated bonds	7.5%-12.8%	2025-2031	7.5%	2024-2025
USD denominated bonds	3.5%-4.0%	2025	3.5%-4.0%	2025

As at 31 December 2024, accrued interest on debt securities issued was KZT 18,209 million (as at 31 December 2023 – KZT 9,003 million).

Subordinated securities are unsecured obligations of the Group and are subordinated in right of payments to all present and future senior indebtedness and certain other obligations of the Group. Coupon payments on debt securities issued are payable on a semi-annual and an annual basis.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

		Cash changes		Non-cash changes		
	1 January 2024	**Issuance of the debt securities**	**Redemption and repayment of debt securities**	**Foreign exchange movement**	**Changes in amortised cost**	**31 December 2024**
Debt securities issued	653,393	294,736	(136,155)	58,794	8,444	879,212

(Millions of Kazakhstani Tenge)

		Cash changes		Non-cash changes		
	1 January 2023	Issuance of the debt securities	Redemption and repayment of debt securities	Foreign exchange movement	Changes in amortised cost	31 December 2023
Debt securities issued	462,817	325,696	(140,705)	(2,157)	7,742	653,393

21. Taxation

The Bank and its subsidiaries are subject to taxation in accordance with the tax law of the country where the Group operates.

The income tax expense comprises:

	Year ended 31 December 2024	Year ended 31 December 2023
Current income tax expense	223,498	136,577
Deferred income tax benefit	(42,596)	(15,239)
Total income tax expense	**180,902**	**121,338**

Deferred income tax benefit relating to temporary differences is as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
Fair value of derivatives and financial assets at fair value through other comprehensive income	(154)	2,871
Property and equipment, accrued depreciation	315	687
Loans to customers, allowance for expected credit losses	1,657	157
Deferred tax (asset)/liability on financial instruments	(26,535)	4,982
Deferred tax asset on deposits held at JSC "Fund of Problem Loans"	(16,421)	(22,299)
Other	(1,458)	(1,637)
Deferred income tax benefit recognized in profit or loss	**(42,596)**	**(15,239)**

The tax rate for Kazakhstan companies was 20% during the years ended 31 December 2024 and 2023. Income on state and other qualifying securities is tax exempt.

During the year ended 31 December 2024 and 2023 the tax rates in Georgia and the Republic of Uzbekistan is 20%.

(Millions of Kazakhstani Tenge)

The effective income tax rate is different from the statutory income tax rate. Below is the calculation for adjusting income tax expenses calculated at the statutory rate of 20% in accordance with the reported income tax expense:

	Year ended 31 December 2024	Year ended 31 December 2023
Income before income tax expense	1,101,893	814,774
Statutory tax rate	20%	20%
Income tax expense at the statutory rate	**220,379**	**162,955**
Tax-free income on government securities and other securities and derivatives on which income is not taxable	(55,460)	(42,221)
Tax effect of modification of deposits	13,223	-
Non-deductible expenditures:		
- other provisions	3,583	1,732
- general and administrative expenses	889	449
Other	(1,712)	(1,255)
Income tax expense	**180,902**	**121,338**

Deferred tax assets and liabilities comprise:

	31 December 2024	31 December 2023
Tax effect of deductible temporary differences:		
Bonuses accrued	8,359	6,387
Fair value of derivatives	907	871
Vacation pay accrual	881	860
Disposals of subsidiaries	-	447
Other	57	32
Deferred tax asset	**10,204**	**8,597**
Tax effect of taxable temporary differences:		
Property and equipment, accrued depreciation	(23,591)	(19,719)
Allowance for loans to customers	(2,974)	(1,314)
Fair value of derivatives, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss	(5,151)	(30,608)
Fair value adjustment on customer accounts	-	(16,421)
Other	(94)	17
Deferred tax liability	**(31,810)**	**(68,045)**
Net deferred tax liability	**(21,606)**	**(59,448)**

Current income tax assets and liabilities comprise:

	31 December 2024	31 December 2023
Current income tax refund receivable	3,506	7,956
Current income tax payable	(26,829)	(946)
Current income tax (liability)/asset	**(23,323)**	**7,010**

(Millions of Kazakhstani Tenge)

The Group has offset deferred tax assets and liabilities on the consolidated statement of financial position where a right of offset existed. The amounts presented after offset comprise:

	31 December 2024	31 December 2023
Deferred tax asset	418	351
Deferred tax liability	(22,024)	(59,799)
Net deferred tax liability	**(21,606)**	**(59,448)**

Kazakhstan and other countries where the Group operates currently have a number of laws related to various taxes imposed by both state and regional government authorities. Applicable taxes include value added tax, income tax, social taxes, and others. Implemented regulations are often unclear or nonexistent and few precedents have been established. Often, differing opinions regarding legal interpretation exist both among and within government ministries and organisations; thus, creating uncertainties and areas of conflict. Tax returns, as well as other areas of legal regulation (e.g., customs and currency controls), are overseen by several agencies, which are legally empowered to impose substantial fines and penalties for violations they deem to be committed. These facts create substantially more significant tax risks in Kazakhstan than typically found in countries with more developed tax systems.

Commercial legislation of the countries where the Group operates, including tax legislation, may allow more than one interpretation. In addition, there is a risk of tax authorities making arbitrary judgments of business activities. If a particular treatment, based on management's judgment of the Group's business activities, was to be challenged by the tax authorities, the Group may be assessed additional taxes, penalties and interest.

Such uncertainty may relate to the valuation of financial instruments and the market pricing of deals. Additionally, such uncertainty may relate to the valuation of temporary differences on the provision and recovery of the provision for impairment losses on loans to customers and receivables, as an underestimation of the taxable profit.

In Kazakhstan, tax years remain open for review by the tax authorities for five years. However, tax authorities may perform additional reviews, if considered necessary. In accordance with judicial rulings, the period of review can be altered, if the court acknowledges the fact of interdiction to conducting the tax review by the tax authorities.

Management believes that the Group is in compliance with the tax laws affecting its operations; however, the risk that relevant authorities could take differing positions with regard to interpretive issues remains.

(Millions of Kazakhstani Tenge)

Movements in net deferred tax liability:

	31 December 2024	31 December 2023
Net deferred tax liability at the beginning of the year	59,448	73,874
Deferred tax benefit recognized in profit or loss	(42,596)	(15,239)
Deferred tax expense recognized in other comprehensive income	4,754	813
Net deferred tax liability at the end of the year	**21,606**	**59,448**

22. Other liabilities

Other liabilities include:

	31 December 2024	31 December 2023
Liabilities from continuing involvement	103,786	104,921
Dividends accrued but not paid	72,844	-
Accrual for settlements with employees, bonuses and vacations	44,232	35,110
Banking creditors	26,393	52,900
Other advances received	15,331	13,597
Tax debts other than income tax	14,232	8,416
Lenders for non-banking activities	12,170	16,368
Lease liabilities	4,383	4,965
Creditors on commercial property	3,683	3,838
General and administrative expenses payable	2,877	2,641
Total other liabilities	**299,931**	**242,756**

As of 31 December 2024, the Bank's other liabilities included the amount of accrued but not paid dividends on the Bank's ordinary shares based on the results of operations for 2023 and amounted to KZT 72,844 million. The payment of dividends was carried out in accordance with the requirements of the legislation of the Republic of Kazakhstan and as of the date of issue of the consolidated financial statements, the Bank has no obligations to pay dividends on ordinary shares of the Bank to shareholders.

The liability from continuing involvement represents obligations towards JSC Kazakhstan Sustainability Fund (hereinafter referred to as the “Operator”) associated with the state mortgage program “7-20-25” and other programs. In accordance with the terms of this program, the Bank provides mortgage loans to borrowers and transfers the rights of claim on the loans to the Program Operator. In accordance with the program and the trust management agreement, the Bank carries out trust management of the transferred mortgage loans. At the same time, the Bank is obliged to redeem the rights of claim on the transferred mortgage loans if there is a delay in the principal debt and interest on loans for more than 90 calendar days. The repurchase is carried out at the nominal value of the loan on the date of purchase.

The Bank has determined that It has not transferred nor retained all the risks and rewards of ownership of these assets, in particular credit risk, but has retained control of the transferred assets and continues to recognize loans to the extent of its continuing involvement in them. The extent of the continuing involvement is limited to the maximum amount of consideration received that the Bank may be required to repay because the Banks continuing involvement takes the form of a guarantee over the transferred asset. Because the Bank continues to recognize an asset to the extent of its continuing involvement in loans to customers, the Bank also recognizes an associated liability.

23. Equity

The number of shares authorized, issued and fully paid as at 31 December 2024 and 2023, were as follows:

	Share capital authorised	Share authorized and not issued	Fully paid and issued share capital	Share capital repurchased	Outstanding shares
31 December 2024:					
Ordinary shares	25,000,000,000	(11,552,455,218)	13,447,544,782	(2,567,570,166)	10,879,974,616
31 December 2023:					
Ordinary shares	25,000,000,000	(11,552,455,218)	13,447,544,782	(2,545,373,191)	10,902,171,591

All shares are KZT denominated. Movements of shares outstanding are as follows:

	Number of shares Ordinary	Nominal (placement) amount (millions of KZT) Ordinary
31 December 2022	**10,883,868,379**	**(51,508)**
Repurchase of treasury shares	(10,653,349)	(1,509)
Sale of treasury shares	28,956,561	3,530
31 December 2023	**10,902,171,591**	**(49,487)**
Repurchase of treasury shares	(30,970,744)	(6,445)
Sale of treasury shares	8,773,769	1,334
31 December 2024	**10,879,974,616**	**(54,598)**

Ordinary shares

As at 31 December 2024 and 2023, share capital comprised KZT 209,027 million.
As at 31 December 2024, the Group held 2,567,570,166 shares of the Group's ordinary shares as treasury shares for KZT 263,625 million (31 December 2023 – 2,545,373,191 for KZT 258,514 million).

Each ordinary share outstanding is entitled to one vote and dividends. Treasury shares are not entitled to any vote or dividends.

(Millions of Kazakhstani Tenge)

Dividends paid for the previous financial years were as follows:

	Paid in 2024 for the year ended 31 December 2023	Paid in 2023 for the year ended 31 December 2022
Dividends declared during the period	381,434	276,524
Dividend paid per one ordinary share, KZT	35.00	25.38

Share premium reserve

Share premium reserve represents an excess of contributions received over the nominal value of shares issued.

24. Financial commitments and contingencies

The Group's financial commitments and contingencies comprise the following:

	31 December 2024	31 December 2023
Guarantees issued	984,144	820,260
Commercial letters of credit	113,993	120,497
Commitments to extend credit	109,307	65,207
Financial commitments and contingencies	1,207,444	1,005,964
Less: cash collateral against letters of credit	(37,606)	(45,279)
Less: provisions	(10,964)	(11,695)
Financial commitments and contingencies, net	**1,158,874**	**948,990**

Guarantees issued represent bank guarantees issued by the Group by order of its clients, and which are in effect as at the reporting date. As at 31 December 2024, uncovered guarantees issued for the ten largest groups of customers/groups of customers accounted for 49% of the Group's total financial guarantees (31 December 2023 – 46%) and represented 16% of the Group's total equity (31 December 2023 – 16%).

Commercial letters of credit represent letters of credit issued by the Group by order of its clients, and under which, as at the reporting date, the payment has not yet been made. As at 31 December 2024, the ten largest unsecured letters of credit accounted for 62% of the Group's total commercial letters of credit (31 December 2023 – 57%) and represented 2% of the Group's total equity (31 December 2023 – 3%).

The Group requires collateral to support credit-related financial instruments, when it is deemed necessary. The Group typically requires collateral support unless it is determined to be not necessary through a review of the credit risk of the borrower or an analysis of other deposit accounts held by the Group. Collateral held varies, but may include deposits held with banks, government securities and other assets.

(Millions of Kazakhstani Tenge)

Provision represents other credit loss expenses against letters of credit and guarantees issued.

The movements in provisions were as follows:

				31 December 2024
	Stage 1	**Stage 2**	**Stage 3**	**Total**
At the beginning of the year	**(1,776)**	**(3,218)**	**(6,701)**	**(11,695)**
Transfer to Stage 1	(854)	-	854	-
Transfer to Stage 3	304	-	(304)	-
(Additional provisions recognized)/recoveries	(319)	2,031	(836)	876
Disposal of subsidiaries	(10)	-	-	(10)
Foreign exchange differences	(167)	(1)	33	(135)
At the end of the year	**(2,822)**	**(1,188)**	**(6,954)**	**(10,964)**

				31 December 2023
	Stage 1	**Stage 2**	**Stage 3**	**Total**
At the beginning of the year	**(9)**	**(6,714)**	**(7,050)**	**(13,773)**
Transfer to Stage 1	(5,211)	-	5,211	-
Transfer to Stage 2	4	(4)	-	-
Transfer to Stage 3	2,439	-	(2,439)	-
Recoveries/(additional provisions recognized)	931	3,287	(2,655)	1,563
Disposal of subsidiaries	69	-	-	69
Foreign exchange differences	1	213	232	446
At the end of the year	**(1,776)**	**(3,218)**	**(6,701)**	**(11,695)**

Deferred liabilities for capital expenditures

As at 31 December 2024, the Group's contingent capital commitments in respect of construction in progress amounted to KZT 24,398 million, of which KZT 19,288 million relates to construction in progress of administrative buildings in Astana (31 December 2023 - KZT 35,790 million, KZT 33,871 million, respectively).

Operating lease commitments

There were no material operating lease commitments under irrevocable operating leases outstanding as at 31 December 2024 and 2023.

(Millions of Kazakhstani Tenge)

25. Net interest income

	Year ended 31 December 2024	Year ended 31 December 2023
Interest income:		
Loans to customers	1,682,472	1,349,836
- Retail business	*709,631*	527,606
- Corporate business	*690,416*	599,633
- SME business	*282,425*	222,597
Financial assets at fair value through other comprehensive income	196,034	155,145
Cash and cash equivalents and amounts due from credit institutions	175,376	49,319
Debt securities at amortised cost, net of allowance for expected credit losses	54,316	66,175
Other financial assets	7,956	6,543
Interest income calculated using effective interest method	**2,116,154**	**1,627,018**
Financial assets at fair value through profit or loss	54,632	42,764
Other interest income	**54,632**	**42,764**
Total interest income	**2,170,786**	**1,669,782**
Interest expense:		
Amounts due to customers	(945,176)	(771,460)
- Individuals	*(501,048)*	*(361,449)*
- Legal entities	*(444,128)*	*(410,011)*
Amounts due to credit institutions	(53,134)	(46,723)
Debt securities issued	(48,188)	(40,284)
Deposit insurance	(15,054)	(13,357)
Other financial liabilities	(675)	(708)
Other interest and similar expense	(649)	(110)
Total interest expense	**(1,062,876)**	**(872,642)**
Net interest income before credit loss expense	**1,107,910**	**797,140**

Other interest and similar expense include loss on initial recognition of long-term financial accounts receivable.

The total interest income calculated using the EIR method for financial assets measured at amortised cost is KZT 1,920,120 million for the year ended 31 December 2024 (31 December 2023: KZT 1,471,873 million).

(Millions of Kazakhstani Tenge)

26. Fees and commissions

Fee and commission income is derived from the following sources:

	Year ended 31 December 2024	Year ended 31 December 2023
Transactional income of individuals	143,451	139,948
Transactional income of legal entities	42,688	44,403
Letters of credit and guarantees issued	26,946	20,036
Other	10,029	9,016
Loyalty program	(11,380)	(13,343)
Total fee and commission income	**211,734**	**200,060**

Fee and commission expense is derived from the following sources:

	Year ended 31 December 2024	Year ended 31 December 2023
Transactional expense of individuals	(75,648)	(76,518)
Transactional expense of legal entities	(5,271)	(5,304)
Other	(5,531)	(4,525)
Total fee and commission expense	**(86,450)**	**(86,347)**

Transactional income of individuals and legal entities includes fee and commission income derived from bank transfers on settlements and salary projects, maintenance of customer accounts and plastic card operations, cash operations and servicing customers' pension payments.

Transactional expense of individuals and legal entities includes fee and commission expense derived from payment cards, bank transfers and cash operations.

(Millions of Kazakhstani Tenge)

27. Net gain on financial assets and liabilities at fair value through profit or loss

Net gain on financial assets and liabilities at fair value through profit or loss comprises:

	Year ended 31 December 2024	Year ended 31 December 2023
Net gain on financial assets and liabilities at fair value though profit or loss:		
Net gain on trading operations	59,789	34,255
Realized net gain on derivative operations	37,459	28,831
Unrealized net gain on derivative operations	7,121	9,508
Total net gain on financial assets and liabilities at fair value though profit or loss	**104,369**	**72,594**

28. Net foreign exchange gain

Net foreign exchange gain comprises:

	Year ended 31 December 2024	Year ended 31 December 2023
Dealing, net	136,465	107,271
Translation differences, net	(26,422)	(17,157)
Total net foreign exchange gain	**110,043**	**90,114**

(Millions of Kazakhstani Tenge)

29. Insurance revenue/(insurance service expense)

The following tables illustrate an analysis of insurance revenue recognized during this period:

	Employer Liability Annuities	Pension annuities	Endowment insurance	Term life insurance	Short-term contracts	Health insurance	Mandatory liability insurance for vehicle owners	Property insurance	Motor transport and liability insurance	Other	Total
											Year ended 31 December 2024
Insurance revenue	3,411	442	2,284	707	100,805	12,843	13,247	56,214	13,496	28,193	231,642
Release of risk adjustment	25	2,921	(814)	236	-	-	-	-	-	-	2,368
Margin amortization	1,105	4,910	674	16	-	-	-	-	-	-	6,705
Amortization of acquisition expenses	27	9,264	899	9,018	-	-	-	-	-	-	19,208
Total insurance revenue	**4,568**	**17,537**	**3,043**	**9,977**	**100,805**	**12,843**	**13,247**	**56,214**	**13,496**	**28,193**	**259,923**

	Employer Liability Annuities	Pension annuities	Endowment insurance	Term life insurance	Short-term contracts	Health insurance	Mandatory liability insurance for vehicle owners	Property insurance	Motor transport and liability insurance	Other	Total
											Year ended 31 December 2023
Insurance revenue	2,441	645	256	1,507	84,165	10,535	11,420	62,711	12,348	26,454	212,482
Release of risk adjustment	69	537	2,732	201	-	-	-	-	-	-	3,539
Margin amortization	565	5,652	2,807	129	-	-	-	-	-	-	9,153
Amortization of acquisition expenses	10	734	1,188	12,083	-	-	-	-	-	-	14,015
Total insurance revenue	**3,085**	**7,568**	**6,983**	**13,920**	**84,165**	**10,535**	**11,420**	**62,711**	**12,348**	**26,454**	**239,189**

(Millions of Kazakhstani Tenge)

Year ended 31 December 2024

	Employer Liability Annuities	Pension annuities	Endowment insurance	Term life insurance	Short-term contracts	Health insurance	Mandatory liability insurance for vehicle owners	Property insurance	Motor transport and liability insurance	Other	Total
Insurance service expense:											
incurred insurance claims and other incurred insurance service expenses	(4,182)	(2,734)	(1,157)	(916)	(15,093)	(10,259)	(15,707)	(8,678)	(6,974)	(4,894)	(70,594)
amortization of acquisition cash flows	(27)	(9,264)	(899)	(9,018)	(30,525)	(1,524)	(4,665)	(4,853)	(5,009)	(3,416)	(69,200)
changes in fulfilment cash flows relating to liabilities for incurred claims	-	(126)	(800)	660	5,532	360	(1,389)	(10,805)	588	(2,803)	(8,783)
reversal of losses under groups on onerous contracts	21	145	(576)	94	-	-	(1,034)	-	1,727	-	377
Total insurance services expenses taken into account in the assessment of liabilities	**(4,188)**	**(11,979)**	**(3,432)**	**(9,180)**	**(40,086)**	**(11,423)**	**(22,795)**	**(24,336)**	**(9,668)**	**(11,113)**	**(148,200)**

(Millions of Kazakhstani Tenge)

										Year ended 31 December 2023	
	Employer Liability Annuities	Pension annuities	Endowment insurance	Term life insurance	Short-term contracts	Health insurance	Mandatory liability insurance for vehicle owners	Property insurance	Motor transport and liability insurance	Other	Total
Insurance service expense:											
incurred insurance claims and other incurred insurance service expenses	(7,923)	(5,250)	886	(3,020)	(4,654)	(7,740)	(7,335)	(5,647)	(8,251)	(3,994)	(52,928)
amortization of acquisition cash flows	(9)	(366)	(829)	(15,485)	(19,419)	(646)	(4,395)	(1,656)	(3,755)	(3,355)	(49,915)
changes in fulfilment cash flows relating to liabilities for incurred claims	-	-	-	-	(1,746)	(142)	600	(10,245)	(474)	(370)	(12,377)
reversal of losses on groups of onerous contracts	(2)	-	(881)	(494)	-	-	159	-	(585)	-	(1,803)
Total insurance services expenses taken into account in the assessment of liabilities	**(7,934)**	**(5,616)**	**(824)**	**(18,999)**	**(25,819)**	**(8,528)**	**(10,971)**	**(17,548)**	**(13,065)**	**(7,719)**	**(117,023)**

(Millions of Kazakhstani Tenge)

30. Operating expenses

Operating expenses comprises:

	Year ended 31 December 2024	Year ended 31 December 2023
Salaries and bonuses	160,056	126,929
Depreciation and amortization expenses	19,821	18,534
Taxes other than income tax	14,583	9,772
Information services	8,752	7,905
Communication	8,361	6,419
Advertisement	6,672	5,504
Repair and maintenance	5,961	5,297
Utilities expenses	5,768	4,721
Charity*	5,640	4,547
Security	5,474	5,438
Professional services	3,962	1,663
Lease	3,563	3,151
Stationery and office supplies	2,591	3,066
Other	13,306	13,942
Total operating expenses	**264,510**	**216,888**

Salaries and bonuses include the costs of the long-term incentive program. In December 2024, the Extraordinary Meeting of Shareholders decided to pay remuneration to members of the Board of Directors and incentives to employees with the Bank's shares without the right of pre-emption, in the amount of up to 1% of the total number of outstanding (net of repurchased) shares of the Bank as of the date of the decision.

*In response to the economic implications of January events, the Government has prepared initiatives designed to address the current crisis. A special charitable fund “For the Citizens of Kazakhstan”, which is funded from private and public sources, is established to support citizens of Kazakhstan in the field of healthcare, education and providing other social support. During the year ended 31 December 2024 the Group has contributed KZT 3,000 million (2023: KZT 2,000 million) to the fund, which are part of charity expenses.

31. Income on non-banking activities

	Year ended 31 December 2024	Year ended 31 December 2023
Net gain on sale of commercial property	18,666	17,864
Net gain on sale of investment property	300	166
Net (loss)/gain on sale of non-current assets classified as held for sale	(655)	1,283
Other income on non-banking activities	6,108	4,269
Income on non-banking activities	**24,419**	**23,582**

(Millions of Kazakhstani Tenge)

32. Earnings per share

Basic and diluted earnings per share are calculated by dividing the net income for the year attributable to equity holders of the parent by the weighted average number of participating shares outstanding during the year.

According to Kazakhstan legislation on Joint Stock Companies, dividend payments on common shares may not exceed dividend payments on preferred shares for the same year. Therefore, net profit for the year is allocated to the ordinary shares and the preferred shares in accordance with their legal and contractual dividend rights to participate in retained earnings.

The following table presents basic and diluted earnings per share:

	Year ended 31 December 2024	Year ended 31 December 2023
Basic and diluted earnings per share		
Net profit for the year attributable to equity holders of the parent	920,988	693,435
Earnings attributable to common shareholders	920,988	693,435
Weighted average number of common shares for the purposes of basic earnings per share	10,898,649,882	10,894,712,258
Basic and diluted earnings per share (in Tenge)	**84.50**	**63.65**

As required by KASE rules for listed companies, the book value of one common share as at 31 December 2024 and 2023 is disclosed as follows:

			31 December 2024
Class of shares	Number of outstanding shares	Equity (as calculated per KASE rules)	Book value of one share, in KZT
Common	10,879,974,616	3,051,826	280.50
		3,051,826	

			31 December 2023
Class of shares	Number of outstanding shares	Equity (as calculated per KASE rules)	Book value of one share, in KZT
Common	10,902,171,591	2,463,607	225.97
		2,463,607	

Equity attributable to common shares is calculated as the difference between the total equity and total net book value of intangible assets.

The management of the Group believes that it fully complies with the requirement of KASE as at the reporting date.

33. Financial risk management

Risk management is fundamental to the Group's financial activities. The main risks inherent in the Group's operations are those related to:

- Credit risk;
- Liquidity risk;
- Operational risk; and
- Market risk.

The Group recognises that it is essential to have efficient and effective risk management processes in place. To enable this, the Group has established a risk management framework, whose main purpose is to protect the Group from risk and allow it to achieve its performance objectives. Through the risk management framework, the Group manages the following risks.

Risk appetite management

Risk appetite is the aggregate level of significant risks that the Bank is ready to accept in the implementation of strategic objectives and business plan.

In order to build an effective system for managing the Bank's risk appetite, the risk appetite strategy of JSC Halyk Bank was developed and approved.

The risk appetite strategy defines clear boundaries of the volume of accepted significant risks in which the Bank operates as part of the implementation of the overall development strategy of Halyk Group, and also determines the risk profile of the Bank's activities in order to prevent the risks or minimize their negative impact on the financial position of the Bank.

As part of the development and implementation of the risk appetite strategy for each significant level of risk, the Board of Directors approved the levels of risk appetite (for credit risk, market risk, liquidity risk, operational risk), taking into account the adopted business model, scale of activities, types and complexity of the Bank's operations.

Internal process for assessing capital adequacy

In accordance with the requirements of the rules for the formation of a risk management and internal control system for second-tier banks, the Group developed and implemented an internal process for assessing capital adequacy, which was approved by the Board of Directors. The internal capital adequacy assessment process (the “ICAAP”) is a set of processes for managing significant risks, taking into account the volume of assets, the nature and level of complexity of the activity, the organizational structure, strategic plans, risk profile, regulatory framework, assessment and aggregation of such risks in order to determine target level of the Group's capital adequacy to maintain a stable financial position and solvency.

The purpose of the ICAAP development is to identify, assess, aggregate and control significant types of risks inherent in the Group's activities in order to determine the required level of capital sufficient to cover them, including: credit risk, market risk, liquidity risk and operational risk. The Group assesses the adequacy of its equity capital, taking into account the current level of risk appetite and development strategy, based on the approved budget. Equity capital adequacy is assessed taking into account the results of stress testing of the Group's risks. The internal process for assessing capital adequacy is subject to continuous review of both quantitative and qualitative indicators, including the application of its results, approaches to stress testing, risk identification and information collection process, validation of risk assessment models.

Credit risk

Credit risk is the likelihood that the Group will incur losses due to the borrower's/counterparty's non-fulfillment, untimely or incomplete fulfillment of its financial obligations to the Group in accordance with the terms of the bank loan agreement.

The risk management department plays an important role in managing and controlling the credit risk. This department is responsible for credit risk identification, evaluation and implementation of control and monitoring measures. As part of the credit risk management system, the Group maintains a sufficient level of allowances for expected credit losses, controls the credit risk assessment process, takes the necessary measures to ensure the completeness and reliability of information in order to make decisions, adhere to internal policies and procedures, and maintains a credit assessment procedures independent of the business units risks.

The risk management department is directly involved in the process of making credit decisions, agreeing on lending rules and programs, providing independent recommendations on taking measures to minimize credit risk, controlling limits, monitoring credit risks, the level of risk appetite for credit risk, reporting, as well as ensuring compliance with both external and internal legislative regulatory requirements and procedures.

The Group structures the level of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower/counterparty, or groups of borrowers, and to industry (and geographical) segments. Limits on the level of credit risk concentration by industry sector are approved and controlled by the Commercial Directorate (the “CD”). The Group sets the levels of risk appetite for the concentration of the loan portfolio by types of lending: corporate business, small and medium business, retail business to the Bank's loan portfolio, portfolio concentration by 10 large borrowers of the Bank, the concentration of the portfolio on foreign currency loans, the concentration of the loan portfolio by the acceptable rating level, PD level and NPL level in small and retail business in the loan portfolio by lending segment. Limits on credit risk exposure with respect to credit programs (SME and retail) are approved by the Management Board. The exposure to any one borrower, including banks and brokers, covers on and off-balance sheet exposures, which are reviewed by the Credit Committees and Assets and Liabilities Management Committee (the “ALMC”). Actual exposures against limits are monitored daily.

The risk that the counterparty will not meet its obligations is restricted by the limits covering on and off-balance sheet exposure.

Off-balance sheet credit liabilities represent unused portions of credit in the form of loans, guarantees or letters of credit. The credit risk for off-balance sheet financial instruments is defined as a probability of losses due to the inability of a counterparty to comply with the contractual terms and conditions. In relation to the credit risk associated with off-balance sheet financial instruments, the Group potentially incurs a loss equal to the total amount of undrawn credit lines. However, the likely amount of the loss is less than the total unused commitments since most commitments to extend credit are contingent upon counterparties maintaining specific creditwothiness standards. The Group applies the same credit policy to the contingent liabilities as it does to the financial instruments recorded in the consolidated statement of financial position (i.e. the policy based on the procedures for approving the grant of loans, using limits to mitigate the risk, and current monitoring). The Group controls the maturity of loans, as long-term liabilities carry a higher credit risk compared to short-term liabilities.

Structure and authorities of credit committees

Credit committees, the ALMC, the Management Board, Risk Committee and the Board of Directors are credit authorities responsible for the implementation of the Bank's Credit Policy and credit decision making process.

Commercial Directorate

A collegial body of the Bank, the main task of which is to implement the Bank's internal credit policy on credit operations and credit applications of corporate clients.

Branch Credit Committee and Branch Network Credit Committee ("BCC", "BNCC")

The primary goal of the BCC and the BNCC is the implementation of the Bank's Credit Policy in terms of granting financial instruments via branches to SME customers.

Delegated credit authority limits for the BCC and the BNCC are established by the Management Board. The BCC makes credit decisions within its limits. If the loan application exceeds the relevant credit limit or the authorities of the BCC, the final decision has to be taken by the BNCC. The procedure of the decision-making by the BNCC involves consideration of a package of documents, including complex analysis and assessments of the potential borrowers conducted by the Bank's experts.

Retail Branch Credit Committee of the Head Office ("RCCHO") and Decision Making Center ("DMC")

The primary goal of the RCCHO and the DMC is the implementation of the Bank's Credit Policy in terms of granting retail financial instruments via branches.

The DMC is comprised of credit underwriters with delegated credit authorities based on a four eyes principle. The DMC makes credit decisions within their authorities and limits established by the Management Board and the RCCHO, respectively. The RCCHO is authorised to consider loan applications that exceed relevant credit limits or the authorities of the DMC, as well as other matters within the authorities established by the Management Board.

Along with the functioning of the DMC and RCCHO, there is an automated approach for making decisions when lending to individuals. Automation of decision making is based on a risk-based approach, including Risk Based Pricing and the use of additional parameters when assessing customer solvency. Based on the results of consideration of applications, loan proposals are formed both according to the requested conditions and by offering alternative solutions for all segments of applicants for individuals (participants/non-participants of the salary project, pensioners, etc.). This approach takes into account the risk profile of the potential borrower and allows minimising the credit risk exposure in the decision making process.

Decision Making Center for Small Business ("DMC for SB")

The main task of DMC for SB is to consider loan applications in the small business sector in an amount not exceeding KZT 400 million.

The DMC for SB consists of credit underwriters with delegated decision-making powers based on the four eye principle. The Decision Making Center for Small Business takes decisions within the framework of the authority approved by the Board of the Bank and the limits approved by the BNCC, respectively.

Problem loans committee of the Head Office, branches

Collegial bodies of the Bank, the main task of which is to implement the Bank's internal credit policy in terms of organizing and controlling the activities of the Bank and its branches in managing, servicing and ensuring the repayment of funds on problem loans.

Authorised credit authorities of the Bank's subsidiaries

Consideration and approval of loan applications of subsidiaries is carried out by the authorized/collegial body of the subsidiary in accordance with the internal documents of the subsidiary. Excess and above-limit loan applications are approved by the Board of Directors of the subsidiary during preliminary consideration by the relevant Credit Committee of the Parent Bank in the manner prescribed by the internal regulatory documents of the Bank.

ALMC

The primary goal of the ALMC is profit maximisation and to limit the risks of banking activities related to raising and allocating funds and the establishment of a medium-term policy for the management of assets and liabilities. The main tasks of the ALMC are liquidity management, market risk management, ensuring effective control over the activities of the Bank's executive bodies on financial risk management and determining priority areas for minimizing the Bank's risks.

The ALMC is also responsible for establishing country and counterparty-bank limits. The ALMC reports to the Board of Directors.

(Millions of Kazakhstani Tenge)

The Management Board

For loan applications exceeding the authorities of the Head Office Credit Committee, the BNCC and the RCCHO, or exceeding the relevant limits of the BNCC and the RCCHO, have to be considered by the Management Board.

Risk Committee

The Committee is a collegial body under the Board of Directors and assists in the implementation of functions related to the formation of an effective risk management and internal control system in the Bank, ensuring its functioning and informing the Board of Directors about the level of risks assumed by the Bank.

The Board of Directors

If the loan application exceeds 5% of the Bank's equity capital or the potential borrower is a related party, such applications have to be considered by the Board of Directors.

Maximum Exposure

The Group's maximum exposure to credit risk varies significantly and is dependent on both individual risks and general market risks.

The following table presents the maximum exposure to credit risk of financial assets and contingent liabilities. For financial assets in the statement of financial position, the maximum exposure equals the carrying value of those assets prior to any offset or collateral. For financial guarantees and other contingent liabilities, the maximum exposure to credit risk is the maximum amount the Group would have to pay if the guarantee was called on, or in the case of commitments, if the loan amount was called on (Note 24). The collateral pledged is represented by the carrying amount of a financial instrument for which the collateral was received as security.

	31 December 2024	
	Maximum exposure and net exposure after offset	**Collateral pledged**
Cash equivalents*	1,418,685	55,117
Obligatory reserves	306,330	-
Financial assets at fair value through profit or loss (less equity securities)	745,233	-
Amounts due from credit institutions	156,966	-
Financial assets at fair value through other comprehensive income (less equity securities)	2,913,276	-
Debt securities at amortised cost, net of allowance for expected credit losses	766,937	-
Loans to customers	11,465,649	9,740,418
Other financial assets	87,877	-
Commitments and contingencies (less provisions)	1,196,480	37,606

(Millions of Kazakhstani Tenge)

	31 December 2023	
	Maximum exposure and net exposure after offset	Collateral pledged
Cash equivalents*	1,063,260	39,052
Obligatory reserves	244,866	-
Financial assets at fair value through profit or loss (less equity securities)	427,415	-
Amounts due from credit institutions	171,754	-
Financial assets at fair value through other comprehensive income (less equity securities)	2,416,272	-
Debt securities at amortised cost, net of allowance for expected credit losses	725,343	-
Loans to customers	9,284,872	7,849,080
Other financial assets	81,766	-
Commitments and contingencies (less provisions)	994,269	45,279

*Amount represents the short-term loans and deposits with original maturities of not more than 90 days, which are included within cash and cash equivalents in the statement of financial position.

As at 31 December 2024 and 2023, there is no any difference between maximum exposure and net exposure after offset.

Significant increase in credit risk

As explained in Note 4, the Group monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

The Group uses credit risk grades as a primary input into the determination of the term structure of the PD for exposures. The Group collects performance and default information about its credit risk exposures analyzed by jurisdiction or region and by type of product and borrower as well as by credit risk grading. The information used is both internal and external depending on the portfolio assessed. The Group uses different criteria to determine whether credit risk has increased significantly per portfolio of assets. The criteria used are both quantitative changes in PDs as well as qualitative.

For treasury operations (interbank transactions, securities, reverse repurchase agreements), a significant increase in credit risk is determined individually for each financial asset on the basis of quantitative indicators (rating downgrades by 3 or more steps since initial recognition, overdue by 1 day or more since initial recognition) and qualitative indicators (negative information relating to the issuer/counterparty, including deterioration of financial condition, change of shareholders, the realization of the risk of loss of reputation, the systematic violation of prudential standards) since initial recognition.

For bank loans assessed on a collective basis, a significant increase in credit risk is determined on the basis of increase in lifetime probability of default since initial recognition over defined thresholds for segmented homogeneous portfolios and for loans with an overdue more than 30 days since initial recognition, for loans assessed on an individual basis - additionally in case of the decrease of internal credit rating and increase in lifetime PD on 10 percentage points in accordance with the internal rating model (the presence of restructuring during deterioration of the financial position for classification to Stage 3), expert opinions of the Bank's specialists based on the changes in the qualitative and quantitative indicators of the borrower, a significant deterioration of collateral and other objective evidence of significant financial difficulties since initial recognition.

Stage 3 is determined for loans that are assessed on a collective basis with an overdue of over 60 - 90 days, for loans assessed on an individual basis - over 60 days past due, restructuring related to the deterioration of financial condition, deterioration of the internal credit rating and expert opinion of the Bank's specialists.

The Group considers that certain financial instruments with low credit risk at the reporting date have not experienced a significant increase in credit risk. The Group applies this policy to financial instruments issued to sovereign and financial institutions only. The Group considers a financial instrument to have low credit risk when their external credit risk rating is equivalent to definition of 'investment grade' by international rating agencies.

The Group has monitoring procedures in place to make sure that the criteria used to identify significant increases in credit are effective, meaning that significant increase in credit risk is identified before the exposure is defaulted or when the asset becomes 30 days past due.

Incorporation of forward-looking information

The Group uses forward-looking information that is available without undue cost or effort in its assessment of significant increase in credit risk as well as in its measurement of ECL.

The incorporation of forward-looking elements reflects the expectations of the Group and involves the creation of two scenarios ("base case" and "downside" scenarios), including an assessment of the probability for each scenario. The purpose of using multiple scenarios is to model the non-linear impact of assumptions about macroeconomic factors on the expected credit losses. The "base case" scenario enters with a probability of 75% and the "downside" scenario with a probability of 25%.

Development of forecasting was carried out by JSC Halyk Finance using internal and external information for creating "base case" and "downside" scenarios of future forecasting of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data and forecasts published by governmental bodies and monetary authorities.

The Group applies probabilities to the forecast scenarios identified. The base case scenario is the single most-likely outcome and consists of information used by the Group for strategic planning and budgeting. The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using a statistical analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

(Millions of Kazakhstani Tenge)

When applying these stress factors, the results of stress testing performed at the end of 2024 show a slight decrease in certain financial indicators of the Group (growth in allowance for expected credit losses, decrease in net profit and outflow of customer accounts).

At the same time, given that, the Group has a sufficient amount of equity and liquid assets, significant deterioration in the financial position of the Group and violation of regulatory requirements and norms are not predicted.

In general, a worsening of forecasted macroeconomic variables for each scenario or an increase in the probability of the “downside” scenario occurring will both increase the number of loans migrating from Stage 1 to Stage 2 and increase the estimated allowances for expected credit losses. In contrast, an improvement in the outlook on forecasted macroeconomic variables or an increase in the probability of the “base case” scenario occurring will have a positive impact. It is not possible to meaningfully isolate the impact of changes in the various macroeconomic variables for a particular scenario due to the interrelationship between the variables as well as the interrelationship between the level of pessimism inherent in a particular scenario and its probability of occurring.

The table below summarizes the principal macroeconomic indicators included in economic scenarios as at 31 December 2024 and 2023 for Kazakhstan, which is the country where the Group operates and therefore is the country that has a material impact in ECLs.

	31 December 2024		31 December 2023	
List of macro variables used	**Definition**	**Range**	**Definition**	**Range**
GDP growth	% change	4.8%	% change	Between 2.8% and 4.5%
Inflation	Inflation %	Between 8.3% and 9.5%	Inflation %	Between 10.3% and 12.5%
Oil price	Price per barrel	Between USD 70 and USD 80	Price per barrel	Between USD 60 and USD 80

Financial assets are graded according to the current credit rating that have been issued by an international rating agency or in accordance with the Group’s internal rating system. The highest possible rating is AAA. Investment grade financial assets have ratings from AAA to BBB. Financial assets which have ratings lower than BBB are classified as speculative grade.

(Millions of Kazakhstani Tenge)

The following table details the credit ratings of financial assets held by the Group (except for loans to customers, which are disclosed in details below), before any allowances for expected credit losses:

	AA	AA-	A	BBB	<BBB	Not Rated	31 December 2024 Total
Cash equivalents*	184	103,044	32,819	973,164	88,686	4,913	1,202,810
Obligatory reserves	-	-	-	294,421	11,909	-	306,330
Financial assets at fair value through profit or loss	64,743	54,779	27,465	502,532	83,538	89,760	822,817
Amounts due from credit institutions	-	31,225	45,658	32,417	42,442	5,376	157,118
Financial assets at fair value through other comprehensive income	63,980	129,427	146,451	2,543,785	40,678	439	2,924,760
Debt securities at amortised cost	-	-	-	525,317	24,211	217,986	767,514
Other financial assets	-	-	-	-	-	124,119	124,119
Commitments and contingencies	-	-	-	-	-	1,207,444	1,207,444

	AA	AA-	A	BBB	<BBB	Not Rated	31 December 2023 Total
Cash equivalents*	236,673	102,015	69,592	585,630	54,055	15,331	1,063,296
Obligatory reserves	-	-	-	234,054	10,812	-	244,866
Financial assets at fair value through profit or loss	42,588	102,429	57,943	263,602	107,364	15,436	589,362
Amounts due from credit institutions	5,666	26,343	52,898	37,701	33,403	16,143	172,154
Financial assets at fair value through other comprehensive income	203,639	79,983	110,517	1,962,799	68,567	397	2,425,902
Debt securities at amortised cost	-	-	-	710,267	15,732	-	725,999
Other financial assets	-	-	-	-	-	113,422	113,422
Commitments and contingencies	-	-	-	-	-	1,005,964	1,005,964

*Amount represents the short-term loans and deposits with original maturities of not more than 90 days, which are included within cash and cash equivalents in the statement of financial position.

The banking industry is generally exposed to credit risk through its financial assets and contingent liabilities. Credit risk exposure of the Group is concentrated within the Republic of Kazakhstan. The exposure is monitored on a regular basis to ensure that the credit limits and creditworthiness guidelines established by the Group's risk management policy are not breached.

(Millions of Kazakhstani Tenge)

The following table details the carrying value of assets that are impaired and for those that are past due but not impaired:

	Financial assets that have been individually assessed for impairment				Financial assets that have been collectively assessed for impairment		
	Unimpaired financial assets		Impaired financial assets				
	Gross carrying amount of assets	Amount of allowance for expected credit losses	Gross carrying amount of assets	Amount of allowance for expected credit losses	Gross carrying amount of assets	Amount of allowance for expected credit losses	31 December 2024 Total
Amounts due from credit institutions	156,957	(152)	-	-	161	-	156,966
Financial assets at fair value through other comprehensive income	2,926,050	(4,362)	-	-	3,074	(2)	2,924,760
Debt securities at amortised cost	765,221	(576)	-	-	2,293	(1)	766,937
Loans to customers	6,435,223	(35,627)	571,170	(236,610)	5,032,475	(300,982)	11,465,649
Other financial assets	3,739	(1)	36,495	(26,650)	83,885	(9,591)	87,877

	Financial assets that have been individually assessed for impairment				Financial assets that have been collectively assessed for impairment		
	Unimpaired financial assets		Impaired financial assets				
	Gross carrying amount of assets	Amount of allowance for expected credit losses	Gross carrying amount of assets	Amount of allowance for expected credit losses	Gross carrying amount of assets	Amount of allowance for expected credit losses	31 December 2023 Total
Amounts due from credit institutions	169,622	(395)	-	-	2,532	(5)	171,754
Financial assets at fair value through other comprehensive income	2,428,108	(2,206)	-	-	-	-	2,425,902
Debt securities at amortised cost	723,037	(653)	-	-	2,962	(3)	725,343
Loans to customers	5,452,369	(30,037)	497,573	(224,425)	3,824,856	(235,464)	9,284,872
Other financial assets	-	-	55,559	(31,066)	57,863	(590)	81,766

As at 31 December 2024, the carrying amount of unimpaired overdue loans was KZT 90,801 million (31 December 2023 – KZT 62,832 million). The overdue period for these loans is no more than 90 days.

Liquidity risk

Liquidity risk is the likelihood of financial losses arising from the Group's failure to ensure that there are sufficient cash to meet its obligations over time without significant losses. The Group's liquidity risk arises from the mismatch (mismatch) of the maturity of claims on active transactions with the maturity of liabilities.

In accordance with the requirements of the Rules for the formation of a risk management and internal control system for second-tier banks, the Group has developed and implemented an internal process for assessing liquidity adequacy ("IPALA"), which was approved by the Board of Directors. IPALA is a set of liquidity risk management processes in order to maintain an adequate level of liquidity and implement an appropriate liquidity risk management system at different time intervals depending on the type of activity, currency. IPALA was developed in accordance with the risk appetite strategy, taking into account the current market and economic situation, the risk profile and the requirements of the legislation of the Republic of Kazakhstan in terms of the formation of a risk management and internal control system for second-tier banks, as well as the internal needs of the Bank in determining the main approaches and principles of the process assessing the adequacy of liquidity. In order to determine the risk appetite, the Board of Directors approves the levels of risk appetite for liquidity risk, and also uses a quantitative internal indicator of liquidity adequacy within the IPALA, which limits the risks of current, short-term, medium-term and long-term liquidity. In order to identify weaknesses, the IPALA is subject to continuous review at least once a year, which is submitted for approval by the Board of Directors.

As part of the risk management system, liquidity risk is measured and controlled through the following tools:

- monitoring compliance with regulatory (prudential) liquidity ratios;
- setting and regular monitoring of internal limits and triggers for liquidity risk: risk appetite level, IPALA ratio, limit on GAP, liability concentration limits, early warning indicators of liquidity risk;
- analysis of contractual maturities (GAP-analysis) and cash flow forecasting, including: planned transactions, projected rollover of attracted customer funds (taking into account the calculation of the stable part of funding);
- analysis of the concentration of funding sources (by largest depositors, by currency, by funding maturity, by funding source);
- indicators of early warning about liquidity risk, allowing to monitor and control liquidity risk;
- analysis of the volume of assets that can be used as collateral to raise liquidity;
- development and regular testing of a contingency financing plan in unforeseen circumstances with a description of the process of eliminating liquidity shortage in emergency situations;
- stress testing of the impact of changes in various macroeconomic and other factors and parameters on liquidity.

Short-term liquidity needs are managed by the Group's treasury function collecting daily cash inflow/outflow forecasts. Long-term liquidity management is performed by the ALMC by analysing longer term liquidity positions and making decisions on managing significant gaps through various available means.

In order to manage liquidity risk, the Group analyses and evaluates cash inflows and outflows to determine the potential shortage of liquid assets in the future. The Group measures and forecasts estimated cash flows for assets and liabilities, including off-balance sheet claims and liabilities, which analyzes the structure of gaps between cash flows for financial assets and financial liabilities (GAP analysis). In a GAP analysis, cash flows are grouped into time buckets based on the following principles:

- assets and liabilities are allocated into economically homogeneous and significant items;
- securities at fair value through profit or loss are classified in the column "Less than 1 month" because they are available to meet the Group's short-term liquidity needs;
- part of long-term loans provided to customers are classified in the column "From 3 months to 1 year", because for them, the Group has the right to unilaterally withdraw within ten months after due notice issued by the Group;
- loans to customers, amounts due from credit institutions, financial assets at fair value through other comprehensive income, debt securities at amortized cost, other financial assets, amounts due to customers, amounts due to credit institutions, debt securities issued, other financial liabilities included in analysis of the liquidity position based on expected contractual maturities;
- Assets and liabilities other than those listed above are generally classified according to the payment schedule and the remaining period from the reporting date to the earliest contractual payment date or available maturity date.

For the purposes of effective control, the Group divides liquidity management into:

- management of current (intraday)/short-term liquidity – management of assets and liabilities with a maturity of less than 3 months;
- management of mid-term/long-term liquidity – management of assets and liabilities with maturity from 3 months to 1 year and more than 1 year.

Liquidity risk management is generally carried out by ALMC, whose main tasks are to control the implementation of the asset and liability management policy and the liquidity management policy, and to determine the need for liquid funds. The treasury department directly manages the Bank's cash flows and short-term liquidity within the established level of risk appetite for liquidity risk and the limits established by ALMC. The treasury department develops and implements measures for operational liquidity management. The risk management division is responsible for the implementation of the liquidity risk management process, for identifying, measuring, monitoring, controlling and analyzing liquidity risk as part of periodic management reporting on the current state of liquidity risk with related analysis, and, if necessary, provides its recommendations for minimizing risks. The risk management division also conducts stress testing of the impact of changes in various macroeconomic and other factors and parameters on liquidity, including taking into account the scenario of the outflow of customer funds. Liquidity risk management (identification, measurement, monitoring, control and analysis of liquidity risk) is carried out in accordance with the IPALA and the liquidity risk management policy, as well as regulatory requirements.

(Millions of Kazakhstani Tenge)

The following tables provide an analysis of financial assets and liabilities grouped based on the above principles.

						31 December 2024
	Less than 1 month	**1 to 3 months**	**3 months to 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
FINANCIAL ASSETS:						
Cash and cash equivalents	1,473,802	-	-	-	-	1,473,802
Obligatory reserves	155,375	36,419	87,331	17,977	9,228	306,330
Financial assets at fair value through profit or loss	796,114	-	-	26,703	-	822,817
Amounts due from credit institutions	107,311	201	28,194	20,914	346	156,966
Financial assets at fair value through other comprehensive income	85,452	58,855	796,077	1,207,152	777,224	2,924,760
Debt securities at amortised cost, net of allowance for expected credit losses	47	9,534	41,011	716,345	-	766,937
Loans to customers*	411,039	910,887	5,907,457	3,656,734	579,532	11,465,649
Other financial assets	38,342	4,448	13,192	28,251	3,644	87,877
	3,067,482	**1,020,344**	**6,873,262**	**5,674,076**	**1,369,974**	**18,005,138**
FINANCIAL LIABILITIES:						
Amounts due to customers	6,807,195	1,623,880	3,599,228	754,614	205,126	12,990,043
Amounts due to credit institutions	311,045	43,262	123,989	178,042	157,731	814,069
Financial liabilities at fair value through profit or loss	6,463	-	-	510	-	6,973
Debt securities issued	11,547	124,061	582,554	20,920	140,130	879,212
Other financial liabilities	210,534	1,610	9,398	569	343	222,454
	7,346,784	**1,792,813**	**4,315,169**	**954,655**	**503,330**	**14,912,751**
Net position	**(4,279,302)**	**(772,469)**	**2,558,093**	**4,719,421**	**866,644**	**3,092,387**
Accumulated gap	**(4,279,302)**	**(5,051,771)**	**(2,493,678)**	**2,225,743**	**3,092,387**	

(Millions of Kazakhstani Tenge)

						31 December 2023
	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
FINANCIAL ASSETS:						
Cash and cash equivalents	1,377,315	-	-	-	-	1,377,315
Obligatory reserves	122,468	23,652	64,201	24,272	10,273	244,866
Financial assets at fair value through profit or loss	569,008	337	2,029	17,988	-	589,362
Amounts due from credit institutions	99,434	2,669	53,199	16,171	281	171,754
Financial assets at fair value through other comprehensive income	98,807	109,353	505,451	1,169,237	543,054	2,425,902
Debt securities at amortised cost, net of allowance for expected credit losses	42	9,960	208,067	507,274	-	725,343
Loans to customers*	318,822	731,541	4,812,666	2,976,729	445,114	9,284,872
Other financial assets	50,216	2,096	11,305	14,026	4,123	81,766
	2,636,112	**879,608**	**5,656,918**	**4,725,697**	**1,002,845**	**14,901,180**
FINANCIAL LIABILITIES:						
Amounts due to customers	5,472,599	1,182,508	3,267,492	618,404	388,501	10,929,504
Amounts due to credit institutions	429,220	50,924	19,798	106,426	171,943	778,311
Financial liabilities at fair value through profit or loss	3,672	-	-	530	-	4,202
Debt securities issued	1,734	3,785	103,604	544,270	-	653,393
Other financial liabilities	170,969	1,463	8,274	642	446	181,794
	6,078,194	**1,238,680**	**3,399,168**	**1,270,272**	**560,890**	**12,547,204**
Net position	**(3,442,082)**	**(359,072)**	**2,257,750**	**3,455,425**	**441,955**	**2,353,976**
Accumulated gap	**(3,442,082)**	**(3,801,154)**	**(1,543,404)**	**1,912,021**	**2,353,976**	

*Loans to customers in the column “3 months to 1 year” also include loans with non-standard repayment schedule.

The change in liquidity Gaps during the reporting period is associated with a change in the volume and/or structure of liquid assets, a change in the maturity structure of the Group's assets and liabilities, including due to a change in the maturity of assets (reduction/increase in the maturity of the portfolio of securities, loans to customers) and liabilities (reduction/increase in funds of amounts due to customers, amounts due to credit institutions, for debt securities issued).

As at 31 December 2024 and 2023 the Group complies with main liquidity ratios and regulatory liquidity requirements.

The analysis of liabilities by maturity does not reflect the historical stability of customer current account balances, which have traditionally been repaid over a longer period than indicated in the tables above. In this regard, Management believes that although a substantial portion of current accounts and customer deposits are on demand and mature in less than one month, diversification of these deposits by number and type of depositors, and the past experience of the Group, indicate that these deposits provide a long-term and stable source of funding for the Group. Therefore, an essential part of the Group’s current accounts is considered to be stable resources for the purposes of liquidity analysis and management. Additionally, the accumulated gap can be sufficiently covered by refinancing with the repurchase agreements and sale of liquid government and other high-quality rated securities or attracting long-term debt funding on capital markets when necessary.

(Millions of Kazakhstani Tenge)

A further analysis of the liquidity risk is presented in the following tables in accordance with IFRS 7. The amounts disclosed in these tables do not correspond to the amounts recorded on the consolidated statement of financial position, as the presentation below includes a maturity analysis for financial liabilities and contingent liabilities based on the remaining contractual payments (including interest payments).

FINANCIAL AND CONTINGENT LIABILITIES	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	31 December 2024 Total
Amounts due to customers	6,935,920	1,648,092	3,713,555	862,150	280,963	13,440,680
Amounts due to credit institutions	322,636	51,783	136,024	218,311	167,721	896,475
Debt securities issued	11,547	121,428	610,634	25,274	140,130	909,013
Other financial liabilities	210,534	1,610	9,398	569	343	222,454
Guarantees issued	984,144	-	-	-	-	984,144
Commercial letters of credit	113,993	-	-	-	-	113,993
Commitments to extend credit	109,307	-	-	-	-	109,307
	8,688,081	**1,822,913**	**4,469,611**	**1,106,304**	**589,157**	**16,676,066**
Derivative financial assets	486,472	-	3,846	64,718	-	555,036
Derivative financial liabilities	489,908	-	3,783	46,968	-	540,659

FINANCIAL AND CONTINGENT LIABILITIES	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	31 December 2023 Total
Amounts due to customers	5,539,223	1,201,861	3,389,901	650,178	464,185	11,245,348
Amounts due to credit institutions	435,062	53,409	54,744	346,535	190,807	1,080,557
Debt securities issued	1,734	4,937	132,792	564,207		703,670
Other financial liabilities	170,968	1,463	8,274	642	447	181,794
Guarantees issued	820,260	-	-	-	-	820,260
Commercial letters of credit	120,497	-	-	-	-	120,497
Commitments to extend credit	65,207	-	-	-	-	65,207
	7,094,644	**1,261,670**	**3,585,711**	**1,561,562**	**655,439**	**14,159,026**
Derivative financial assets	762,961	23,731	30,522	51,694	-	868,908
Derivative financial liabilities	765,828	22,773	25,168	44,046	-	857,815

Transactions with government agencies and government-controlled companies

In the course of its operations, the Group enters into transactions with the National Bank of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan represented by the Ministry of Finance of the Republic of Kazakhstan and government agencies, as well as with government-controlled companies (with an equity stake of 50% or more). The Group provides these customers with banking services, including, but not limited to: placing deposits, providing loans, transactions for the sale and purchase of securities, accepting funds for deposits, etc.

(Millions of Kazakhstani Tenge)

The balances of transactions with government agencies and government-controlled companies that were significant in terms of their carrying value (TOP 10) as at 31 December 2024 and 2023 are as follows:

31 December 2024

Counterparty/Issuer	Cash and cash equivalents	Loans to customers	Securities	Amounts due to customers/due to credit institutions	As at 31 December 2024 Total
NBRK	813,453	-	16,143	122	829,718
Government of the Republic of Kazakhstan	33,090	12,852	2,711,198	35,678	2,792,818
Other government agencies and government-controlled companies	578	741,401	677,612	862,730	2,282,321
Including:					
funds of state programs	-	-	-	96,235	96,235
	847,121	**754,253**	**3,404,953**	**994,765**	**6,001,092**

31 December 2023

Counterparty/Issuer	Cash and cash equivalents	Loans to customers	Securities	Amounts due to customers/due to credit institutions	As at 31 December 2023 Total
NBRK	786,104	-	5,843	152	792,099
Government of the Republic of Kazakhstan	12,559	-	2,129,527	34,392	2,176,478
Other government agencies and government-controlled companies	11,285	499,061	678,336	952,439	2,141,121
Including:					
funds of state programs	-	-	-	186,812	186,812
conditional deposits	-	-	-	74,184	74,184
	809,948	**499,061**	**2,813,706**	**1,247,979**	**5,370,694**

Cash and cash equivalents include balances on nostro accounts and term deposits with the NBRK in national and foreign currencies.

Loans to customers represent transactions for the financing of government-controlled companies, concluded on the terms of payment, urgency, repayment.

Securities are represented by debt and equity financial instruments denominated in national and foreign currencies, evaluated at fair value or amortized cost, depending on the purpose of acquisition.

Amounts due to credit institutions / due to customers represent liabilities to government-controlled companies in the form of current account balances, term deposits, funds placed under government financing programs small and medium-sized businesses, as well as conditional deposits placed by quasi-state companies as part of subsoil use operations.

In order to manage liquidity risk, including monitoring the concentration of assets and liabilities, the Group sets concentration limits for certain groups of customers, both in terms of claims to customers and liabilities to them (by the largest depositors / borrowers, by currency baskets, by source of funding); on a regular basis monitors the fulfillment of the specified limits, analyzes the dynamics of changes in indicators, and, if necessary, develops action plans to reduce the risk of concentration.

Additionally, on a regular basis, the Group conducts stress testing on the impact of potential changes in various macroeconomic and other indicators on the financial stability of the Group. One of the scenarios that must be considered and analyzed is a stressful outflow of customer funds (withdrawals from current accounts, early termination of term deposits), as well as the conversion of customer funds into foreign currency (from tenge to foreign currency), based on the results of a stress test, if necessary preventive measures are being developed to prevent a negative impact on the Group's operations.

The results of monitoring limits on the concentration of assets and liabilities and the results of stress testing are mandatory submitted for consideration by the authorized collegial bodies to get acquainted with the current level of the main types of risk inherent in the Group's activities and take corrective measures to minimize the risk, if necessary.

Market risk

Market risk is the probability of financial losses on the Group's balance sheet and off-balance sheet items due to adverse changes in the market situation, expressed in changes in market interest rates, foreign exchange rates, market value of financial instruments and commodities.

The Group is exposed to market risks, which include the following components:

- Risk of changes in interest rates (interest rate risk);
- Risk of changes in foreign exchange rates (currency risk);
- Risk of changes in securities prices (price risk).

The objective of market risk management is to optimise risk/return, minimise losses in case of adverse events and decrease deviation of factual financial results from expected financial results.

Market risk management includes security portfolio management and control of open positions on currencies, interest rates and derivatives. For these purposes, the ALMC fixes limits on security portfolios, open positions, stop-loss limits, VaR and ES limits, and other limitations. Market risk limits are subject to review on at least an annual basis and should be monitored continuously.

Interest rate risk

The Group is exposed to the risk of changes in interest rates. Interest rate risk is defined as the probability of a decrease in interest income, an increase in interest expenses or a negative impact on capital as a result of adverse changes in market interest rates.

The Group determines two types of interest rate risk:

- Interest rate risk related to changes in fair values of securities portfolios, which are reflected through other comprehensive income;

- Interest rate risk resulting from assets and liabilities maturity dates (dates of interest rate repricing) mismatch that are sensitive to interest rate changes (risk of interest rate changes).

The ALMC manages interest rate risks and market risks through the management of the Group's position on interest rates to reach positive interest margins.

The Group manages interest rates by determining the Group's exposure to the interest rate risk using the approach described by the Basel Committee on the principles for the management and supervision of interest rate risk. This approach identifies the Group's exposure to interest rate risk by testing the impact of a parallel movement in interest rates on assets and liabilities.

Sensitivity analysis of interest rate risk

The following table presents a sensitivity analysis of interest rate risk, which has been determined based on "reasonably possible changes in the risk variable". The Group assesses the reasonably possible changes in interest rates in tenge and foreign currencies separately, in which financial assets and liabilities are denominated due to the different volatility of interest rates. Particularly, a scenario of interest rate changes in tenge takes into account the dynamics of market interest rates (loans/deposits, NBRK base rate etc.).

The impact on profit before tax is the effect of the assumed changes in interest rates on the net interest income for one year, based on the floating rate financial assets and liabilities held as at 31 December 2024 and 2023 and the effect of revaluing instruments with fixed rates accounted for at fair value. The management of the Group believes income tax not to have a substantial effect for the purpose of interest rate risk management.

(Millions of Kazakhstani Tenge)

The impact on profit before tax based on assets and liabilities values as at 31 December 2024 and 2023 is as follows:

	31 December 2024		31 December 2023	
	Interest rate KZT +3.75% CCY +2%	Interest rate KZT -3.75% CCY -2%	Interest rate KZT +3.75% CCY +2%	Interest rate KZT -3.75% CCY -2%
FINANCIAL ASSETS:				
Financial assets at fair value through profit or loss	673	(673)	(9,100)	8,963
KZT	672	(672)	(9,368)	9,368
CCY	1	(1)	268	(405)
Amounts due from credit institutions	1,191	(1,191)	1,223	(1,223)
CCY	1,191	(1,191)	1,223	(1,223)
Financial assets at fair value through other comprehensive income	230	(230)	766	(766)
KZT	229	(229)	766	(766)
CCY	1	(1)		
Loans to customers	21,700	(21,700)	4,682	(4,682)
KZT	2,920	(2,920)	-	-
CCY	18,780	(18,780)	4,682	(4,682)
Net impact on profit before tax	**23,792**	**(23,792)**	**(2,428)**	**2,291**

The impact on equity is the effect of the assumed changes in interest rates due to changes in retained earnings and the effect of revaluation of financial assets at fair value through other comprehensive income with fixed rates.

The impact on equity based on assets and liabilities values as at 31 December 2024 and 2023 is as follows:

	31 December 2024		31 December 2023	
	Interest rate KZT +3.75% CCY +2%	Interest rate KZT -3.75% CCY -2%	Interest rate KZT +3.75% CCY +2%	Interest rate KZT -3.75% CCY -2%
FINANCIAL ASSETS:				
Financial assets at fair value through profit or loss	673	(673)	(9,100)	8,963
KZT	672	(672)	(9,368)	9,368
CCY	1	(1)	268	(405)
Amounts due from credit institutions	1,191	(4,111)	-	-
KZT	-	(2,920)	-	-
CCY	1,191	(1,191)	-	-
Financial assets at fair value through other comprehensive income	(211,511)	211,511	(172,588)	172,588
KZT	(103,442)	103,442	(65,965)	65,965
CCY	(108,069)	108,069	(106,623)	106,623
Loans to customers	21,700	(18,780)	4,682	(4,682)
KZT	2,920	-	-	-
CCY	18,780	(18,780)	4,682	(4,682)
Net impact on equity	**(187,948)**	**187,948**	**(175,782)**	**175,646**

Currency Risk

The Group is exposed to currency risk. Currency risk arises from open positions in foreign currency and adverse movements of market exchange rates that may have a negative impact on the financial performance of the Group.

The ALMC monitors currency risk by determining the open currency position based on the estimations of KZT devaluation and other macroeconomic indicators, which gives the Group an opportunity to minimise losses from significant currency rate fluctuations of national and foreign currencies.

The treasury department performs daily monitoring of the Group’s open currency positions, with the aim to comply with the requirements of the regulatory authority.

The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates (primarily USD) on its financial positions, results of operations and cash flows, which are monitored daily. The ALMC sets limits on the level of exposure by currencies within the authority approved by the Board of Directors. These limits also comply with the minimum requirements of the regulator authority.

The Group’s principal cash flows are generated in KZT and USD. As a result, potential movements in the exchange rate between KZT and USD will affect the carrying value of the Group’s USD denominated monetary assets and liabilities. Currency risk is assessed in relation to the consolidated statement of financial position and off-balance sheet positions. Currently, the Group's sensitivity to fluctuations in exchange rates is acceptable, due to the fact that the off- balance sheet items significantly neutralise the consolidated statement of financial position.

(Millions of Kazakhstani Tenge)

The Group's exposure to foreign currency exchange rate risk is as follows:

							31 December 2024
	USD	**EURO**	**RUB**	**Other**	**Total foreign currencies**	**KZT**	**Total**
FINANCIAL ASSETS:							
Cash and cash equivalents	303,453	76,454	26,787	79,777	486,471	987,331	1,473,802
Obligatory reserves	48,259	8,891	3,190	3,394	63,734	242,596	306,330
Financial assets at fair value through profit or loss	311,360	7,368	14	160	318,902	503,915	822,817
Amounts due from credit institutions	118,842	2	2,081	21,936	142,861	14,105	156,966
Financial assets at fair value through other comprehensive income	1,404,657	239,007	7,664	-	1,651,328	1,273,432	2,924,760
Debt securities at amortised cost, net of allowance for expected credit losses	220,923	-	-	24,207	245,130	521,807	766,937
Loans to customers	2,122,954	174,601	6,280	128,380	2,432,215	9,033,434	11,465,649
Other financial assets	2,185	592	1,511	2,086	6,374	81,503	87,877
	4,532,633	**506,915**	**47,527**	**259,940**	**5,347,015**	**12,658,123**	**18,005,138**
FINANCIAL LIABILITIES							
Amounts due to customers	3,570,187	246,083	42,582	157,989	4,016,841	8,973,202	12,990,043
Amounts due to credit institutions	438,384	24,676	10,157	17,733	490,950	323,119	814,069
Financial liabilities at fair value through profit or loss	840	-	510	-	1,350	5,623	6,973
Debt securities issued	484,287	-	-	-	484,287	394,925	879,212
Other financial liabilities	1,865	1,343	72	1,104	4,384	218,070	222,454
	4,495,563	**272,102**	**53,321**	**176,826**	**4,997,812**	**9,914,939**	**14,912,751**
Net position – on-balance	**37,070**	**234,813**	**(5,794)**	**83,114**	**349,203**	**2,743,184**	**3,092,387**
Net position – off-balance	**120,411**	**(204,932)**	**9,348**	**(26,664)**	**(101,837)**	**117,062**	
Net position	**157,481**	**29,881**	**3,554**	**56,450**	**247,366**	**2,860,246**	

(Millions of Kazakhstani Tenge)

							31 December 2023
	USD	EURO	RUB	Other	Total foreign currencies	KZT	Total
FINANCIAL ASSETS:							
Cash and cash equivalents	561,336	61,510	22,111	138,220	783,177	594,138	1,377,315
Obligatory reserves	8,906	6,150	-	105,596	120,652	124,214	244,866
Financial assets at fair value through profit or loss	246,103	3,370	20	613	250,106	339,256	589,362
Amounts due from credit institutions	101,126	4,109	16,073	13,119	134,427	37,327	171,754
Financial assets at fair value through other comprehensive income	1,418,689	133,479	8,255	-	1,560,423	865,479	2,425,902
Debt securities at amortised cost, net of allowance for expected credit losses	193,298	-	-	10,380	203,678	521,665	725,343
Loans to customers	1,365,955	122,814	13,637	109,008	1,611,414	7,673,458	9,284,872
Other financial assets	21,196	740	1,976	265	24,177	57,589	81,766
	3,916,609	**332,172**	**62,072**	**377,201**	**4,688,054**	**10,213,126**	**14,901,180**
FINANCIAL LIABILITIES							
Amounts due to customers	3,138,884	210,030	37,853	127,231	3,513,998	7,415,506	10,929,504
Amounts due to credit institutions	193,078	8,646	39,207	4,143	245,074	533,237	778,311
Financial liabilities at fair value through profit or loss	-	-	530	-	530	3,672	4,202
Debt securities issued	324,803	-	-	-	324,803	328,590	653,393
Other financial liabilities	4,594	1,454	91	2,517	8,656	173,138	181,794
	3,661,359	**220,130**	**77,681**	**133,891**	**4,093,061**	**8,454,143**	**12,547,204**
Net position – on-balance	**255,250**	**112,042**	**(15,609)**	**243,310**	**594,993**	**1,758,983**	**2,353,976**
Net position – off-balance	**29,460**	**(109,932)**	**21,147**	**(183,970)**	**(243,295)**	**256,524**	
Net position	**284,710**	**2,110**	**5,538**	**59,340**	**351,698**	**2,015,507**	

(Millions of Kazakhstani Tenge)

Sensitivity analysis of currency risk

The table below indicates the currencies in which the Group had significant exposure at 31 December 2024 and 2023 and its forecasted cash flows. The analysis calculates the effect of a reasonable possible movement of the currency rate, with all other variables held constant on the consolidated statement of profit or loss. A negative amount in the table reflects a potential net reduction in the consolidated statement of profit or loss, while a positive amount reflects a net potential increase. Sensitivity of currency risk is assessed based on balance sheet and off-balance sheet open currency positions. The management of the Group believes income tax not to have a substantial effect for the purpose of currency risk management.

The impact on profit before tax and equity, based on assets and liabilities values as at 31 December 2024 and 2023 was calculated using the annual analysis of the exchange rate volatility based on historical data of the exchange rate dynamics over the last two years; see the details in the following table:

	31 December 2024		31 December 2023	
	+30% KZT/USD	-30% KZT/USD	+30% KZT/USD	-30% KZT/USD
Impact on financial result/equity	47,244	(47,244)	85,413	(85,413)

	31 December 2024		31 December 2023	
	+30% KZT/EURO	-30% KZT/EURO	+30% KZT/EURO	-30% KZT/EURO
Impact on financial result/equity	8,964	(8,964)	633	(633)

	31 December 2024		31 December 2023	
	+30% KZT/RUB	-30% KZT/RUB	+30% KZT/RUB	-30% KZT/RUB
Impact on financial result/equity	1,066	(1,066)	1,661	(1,661)

Limitations of sensitivity analysis

The above tables demonstrate the effect of a change in a key assumption, while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear, and larger or smaller impacts should not be interpolated or extrapolated from these results.

The sensitivity analyses do not take into consideration that the Group's assets and liabilities are actively managed. Additionally, the financial position of the Group may vary at the time that any actual market movement occurs. For example, the Group's financial risk management strategy aims to manage the exposure to market fluctuations. As investment markets move past various trigger levels, management actions could include selling investments, changing investment portfolio allocations and taking other protective actions. Consequently, the actual impact of a change in the assumptions may not have any impact on the liabilities, whereas assets are held at market value on the consolidated statement of financial position. In these circumstances, the different measurement bases for liabilities and assets may lead to volatility in equity.

Other limitations in the above sensitivity analyses include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes that cannot be predicted with any certainty.

Price risk

Price risk is the probability of financial losses as a result of changes in the market prices of financial instruments, regardless of whether these changes are caused by factors specific to an individual security or its issuer, or by factors affecting all securities traded on the market. The Group is exposed to price risk due to the impact of general or specific market changes on its products.

To limit price risk, the Group determines limits for maximum losses (stop-loss) on securities from the trade portfolio to minimise potential losses of the trade portfolio.

Price risk assessment is also performed on the basis of the Value At Risk ("VaR") method, through the establishment of Expected Shortfall ("ES") limits on the level of expected losses, which the Bank is able to undertake within one day in a situation when factual losses may exceed the level of VaR.

Calculation of VaR is based on the following parameters:

- Reporting period – 252 working days;
- Confidence interval – 99%;
- The method of measurement – historical and parametric simulation.

The Group estimates the price risk at 31 December 2024 and 2023 to be not material and therefore quantitative information is not disclosed.

34. Capital risk management

The Group's capital management objectives, which are a broader concept than the "equity" on the face of the consolidated statement of financial position, are as follows:

- To comply with the capital requirements set by NBRK;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain its own funds to support the development of the development of its business.

The required level of capital is determined during the annual budgeting process, taking into account the above objectives, and is approved by the Management Board and the Board of Directors. As of the current date, the Group's capital adequacy is calculated in accordance with the prudential standards prescribed for banks by the Kazakh regulatory authority, taking into account the recommendations of the Basel Committee.

(Millions of Kazakhstani Tenge)

Currently, regulatory capital is represented by:

- Tier 1 capital, which is required to maintain the normal operating activity of the Bank and absorb losses as they arise. It consists of the base and additional capital of the first level, which include ordinary shares issued by the bank, share premium, retained earnings, other accumulated comprehensive income and disclosed reserves, regulatory adjustments (deductions);

- Tier 2 capital, which is required to absorb losses in case of the bank's liquidation. This part of capital consists of instruments issued by the bank and deductions.

Risk-weighted assets are split into five different groups, based on the risk level of the investment and its possible impairment, and weighted according to the nature of and reflecting an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposure, with some adjustments made to reflect the more contingent nature of the potential losses.

The below table summarises the regulatory capital composition and capital adequacy ratios of the Group for the years ended 31 December 2024 and 2023. During these two years, individual entities within the Group and the Group complied with all of the externally imposed capital requirements to which they are subject.

	31 December 2024	31 December 2023
Composition of regulatory capital		
CET 1		
Common shares, net of treasury shares	(54,598)	(49,487)
Share premium reserve	8,769	8,667
Retained earnings of prior years	2,066,418	1,750,723
Net income for the current year	920,991	693,436
Accumulated disclosed reserves*	55,063	54,320
Non-controlling interest	12	10
Property and financial assets at fair value through other comprehensive income revaluation reserves	44,934	13,620
Less: goodwill and intangible assets	(19,278)	(16,401)
Less: cumulative translation reserve	(12,098)	(3,459)
Common Equity Tier 1 (CET 1) Capital	**3,010,213**	**2,451,429**
Additional tier 1		
Tier 2		
Subordinated debt	19,749	37,698
Total qualifying for Tier 2 capital	**19,749**	**37,698**
Total regulatory capital	**3,029,962**	**2,489,127**
Risk-weighted assets	16,011,836	12,676,762
CET 1 capital adequacy ratio	**18.80%**	**19.34%**
Tier 1 capital adequacy ratio	**18.80%**	**19.34%**
Total capital adequacy ratio	**18.92%**	**19.64%**

*As at 31 December 2024, accumulated disclosed reserves comprised from capital reserve KZT 55,063 million. (31 December 2023: KZT 54,320 million).

35. Segment analysis

The Group is managed and reported on the basis of four main operating segments – corporate banking, SME banking, retail banking and investment banking. These segments are strategic business units that offer different products and services and are managed separately.

Retail banking represents private banking services to individuals, including private customer current accounts, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages, cash and foreign currency related services to individuals.

Corporate banking represents banking services to corporate clients and financial organisations including current accounts and correspondent accounts, deposits, custody, overdrafts, loans and other credit facilities, documentary operations, including guarantees and letters of credit, trade finance products, interbank operations, as well as cash services and foreign exchange transactions.

SME banking represents banking services to SME clients and individual entrepreneurs, including current accounts, deposits, overdrafts, loans and other credit facilities, documentary operations and guarantees, foreign exchange transactions and trade finance products.

Investment banking represents services on sale and purchase of securities on the market.

Unallocated amounts are account balances and classes of transactions which are not allocated to a particular segment, not initiated by any business function and relate to the current activity of the Group. Unallocated assets include fixed assets, intangible assets, non-current assets held for sale, cash on hand and other unallocated assets. Unallocated liabilities include deferred tax liabilities and other unallocated liabilities. Unallocated income includes other income from main and nonoperating activities and insurance income. Unallocated expenses include the allowances for expected credit losses on accounts receivable, operating overhead expenses, insurance expenses and income tax.

The segment information below is based on financial information used for performance evaluation by the Bank’s Chairman of the Management Board, the Group’s chief operating decision maker, in accordance with IFRS 8. The Group’s management reviews discrete financial information for each segment, including the evaluation of operating segment results, assets and liabilities. Segment result is the measure reported to the Group’s chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

(Millions of Kazakhstani Tenge)

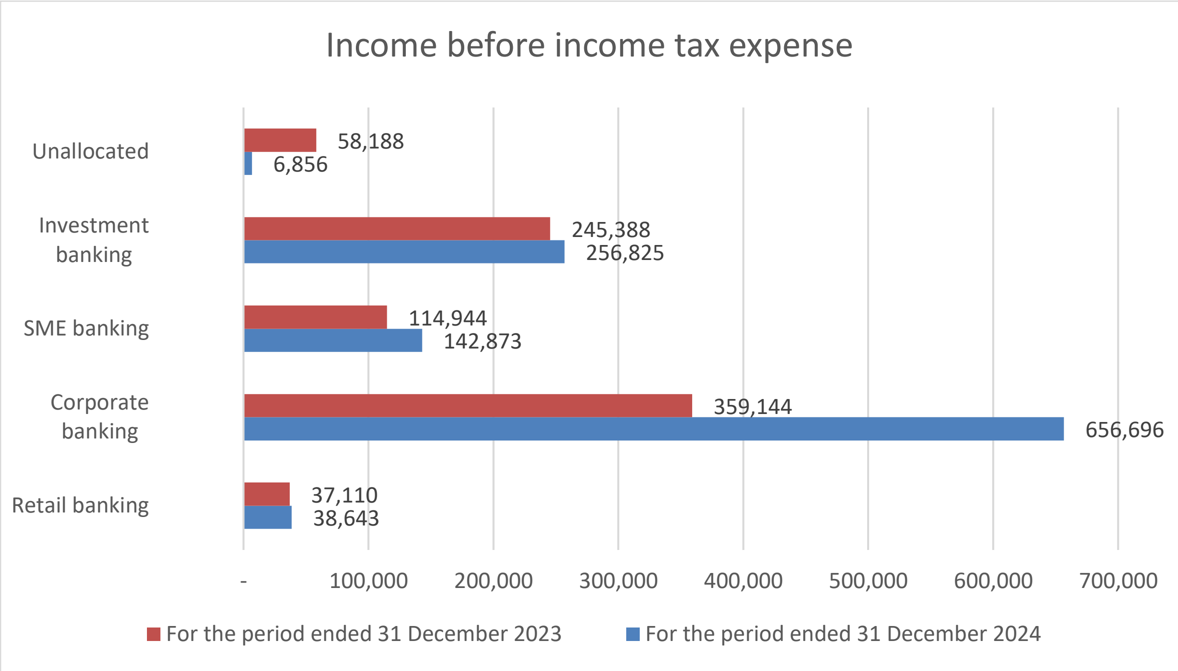
Segment information for the main reportable operating segments of the Group as at 31 December 2024 and 2023 and for the years then ended, is set out below:

	Retail banking	Corporate banking	SME banking	Investment banking	Unallocated	Total
As at 31 December 2024 and for the year then ended						
External revenues	858,483	1,023,075	361,339	310,727	301,504	2,855,128
Total revenues	**858,483**	**1,023,075**	**361,339**	**310,727**	**301,504**	**2,855,128**
Total revenues comprise:						
- Interest income	709,672	873,950	284,135	296,436	6,593	2,170,786
- Fee and commission income, including:	131,658	36,580	39,449	132	3,915	211,734
Transactional income of individuals	134,135	-	-	-	-	134,135
Transactional income of legal entities	-	11,909	30,598	132	-	42,639
Letters of credit and guarantees issued	-	20,003	6,986	-	-	26,989
Other	8,699	4,872	1,865	-	3,915	19,351
Loyalty program	(11,176)	(204)	-	-	-	(11,380)
- Net gain on financial assets at fair value through profit or loss	-	92,572	-	11,656	141	104,369
- Net foreign exchange gain	17,152	85,875	37,099	-	(30,083)	110,043
- Net realised gain from financial assets at fair value through other comprehensive income	-	-	-	2,503	-	2,503
- Recovery of other credit loss expense/(other credit loss expense)	1	212	656	-	7	876
- Gain from recovery of a previously recognized loss from impairment of property, plant and equipment and loss from impairment of non-financial assets	-	-	-	-	1,137	1,137
- Share in profit of associate	-	-	-	-	15,526	15,526
- Insurance underwriting income, income on non-banking activities and other (expense)/income	-	(66,114)	-	-	304,268	238,154
Total revenues	**858,483**	**1,023,075**	**361,339**	**310,727**	**301,504**	**2,855,128**
- Interest expense	(501,048)	(343,433)	(155,263)	(48,187)	(14,945)	(1,062,876)
- Expected credit loss expense	(93,757)	(793)	(28,222)	(2,135)	(4,441)	(129,348)
- Fee and commission expense	(79,077)	(2,756)	(3,735)	(861)	(21)	(86,450)
- Operating expenses	(145,958)	(19,397)	(31,246)	(2,719)	(65,190)	(264,510)
- Impairment loss on assets held for sale	-	-	-	-	(60)	(60)
- Insurance claims incurred, net of reinsurance	-	-	-	-	(148,200)	(148,200)
- Financial expenses for insurance	-	-	-	-	(26,266)	(26,266)
- Reinsurance agreements	-	-	-	-	(35,525)	(35,525)
Total expenses	**(819,840)**	**(366,379)**	**(218,466)**	**(53,902)**	**(294,648)**	**(1,753,235)**
Segment result	**38,643**	**656,696**	**142,873**	**256,825**	**6,856**	**1,101,893**
Income before income tax expense	38,643	656,696	142,873	256,825	6,856	1,101,893
Income tax expense	-	-	-	-	(180,902)	(180,902)
Net income	**38,643**	**656,696**	**142,873**	**256,825**	**(174,046)**	**920,991**
Total segment assets	3,901,850	7,488,151	1,831,990	4,420,694	905,729	18,548,414
Total segment liabilities	6,952,536	4,289,967	2,482,390	879,212	876,260	15,480,365
Other segment items:						
Capital expenditures					(66,884)	(66,884)
Depreciation and amortisation					(19,821)	(19,821)
Investment in associate					59,227	59,227

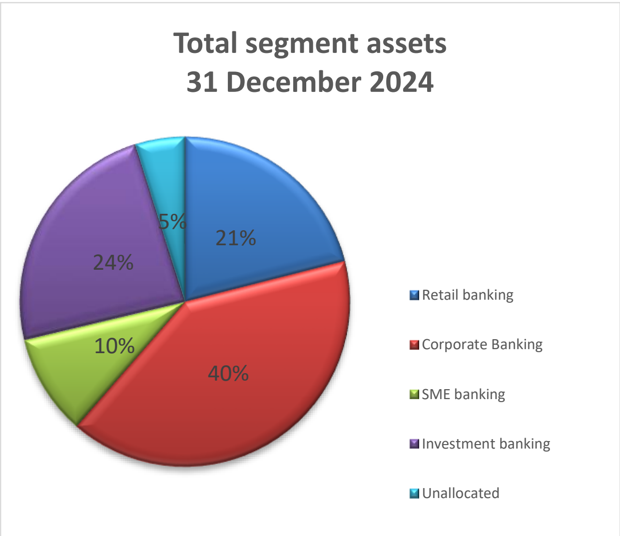
(Millions of Kazakhstani Tenge)

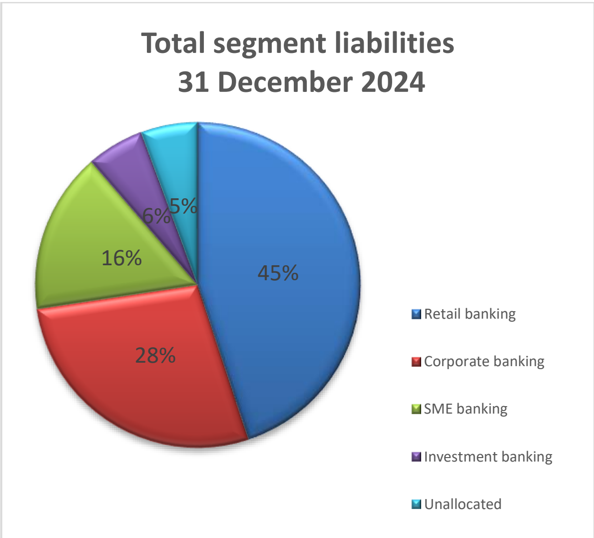
	Retail banking	Corporate banking	SME banking	Investment banking	Unallocated	Total
As at 31 December 2023 and for the year then ended						
External revenues	669,138	712,625	295,680	295,440	303,193	2,276,076
Total revenues	**669,138**	**712,625**	**295,680**	**295,440**	**303,193**	**2,276,076**
Total revenues comprise:						
- Interest income	523,475	653,442	225,778	264,083	3,004	1,669,782
- Fee and commission income, including:	127,770	32,769	36,011	-	3,510	200,060
Transactional income of individuals	139,948	-	-	-	-	139,948
Transactional income of legal entities	-	13,146	31,254	-	2	44,402
Letters of credit and guarantees issued	-	15,415	4,621	-	-	20,036
Other	865	4,508	136	-	3,508	9,017
Loyalty program	(13,043)	(300)	-	-	-	(13,343)
- Net (loss)/gain on financial assets at fair value through profit or loss	-	40,939	-	31,346	309	72,594
- Net foreign exchange gain	17,893	48,085	34,184	11	(10,059)	90,114
- Recovery of other credit loss expense	-	1,924	(293)	-	(68)	1,563
- Gain from recovery of a previously estimated loss from improvement of properties, plants and equipment	-	-	-	-	483	483
- Share in profit of associate	-	-	-	-	13,593	13,593
- Insurance underwriting income, income on non-banking activities and other (expense)/income	-	(64,534)	-	-	292,421	227,887
Total revenues	**669,138**	**712,625**	**295,680**	**295,440**	**303,193**	**2,276,076**
- Interest expense	(373,799)	(317,131)	(140,123)	(40,043)	(1,546)	(872,642)
- Credit loss expense	(61,410)	(15,215)	(14,639)	(3,384)	3,983	(90,665)
- Fee and commission expense	(78,336)	(5,229)	(1,825)	(954)	(3)	(86,347)
- Net realized loss on financial assets at fair value though other comprehensive income	-	-	-	(4,055)	-	(4,055)
- Operating expenses	(118,483)	(15,906)	(24,149)	(1,616)	(56,734)	(216,888)
- Impairment loss on assets held for sale	-	-	-	-	(3,781)	(3,781)
- Insurance claims incurred, net of reinsurance	-	-	-	-	(117,023)	(117,023)
- Financial expenses for insurance	-	-	-	-	(14,824)	(14,824)
- Reinsurance contracts	-	-	-	-	(55,077)	(55,077)
Total expenses	**(632,028)**	**(353,481)**	**(180,736)**	**(50,052)**	**(245,005)**	**(1,461,302)**
Segment result	**37,110**	**359,144**	**114,944**	**245,388**	**58,188**	**814,774**
Income before income tax expense	37,110	359,144	114,944	245,388	58,188	814,774
Income tax expense	-	-	-	-	(121,338)	(121,338)
Net income	37,110	359,144	114,944	245,388	**(63,150)**	**693,436**
Total segment assets	2,917,442	6,339,309	1,536,837	3,722,275	978,505	15,494,368
Total segment liabilities	5,690,720	3,755,107	2,425,130	683,243	463,214	13,017,414
Other segment items:						
Capital expenditures					(45,218)	(45,218)
Depreciation and amortisation					(18,534)	(18,534)
Investment in associate					51,464	51,464

Income before income tax expense by segments were as follows:

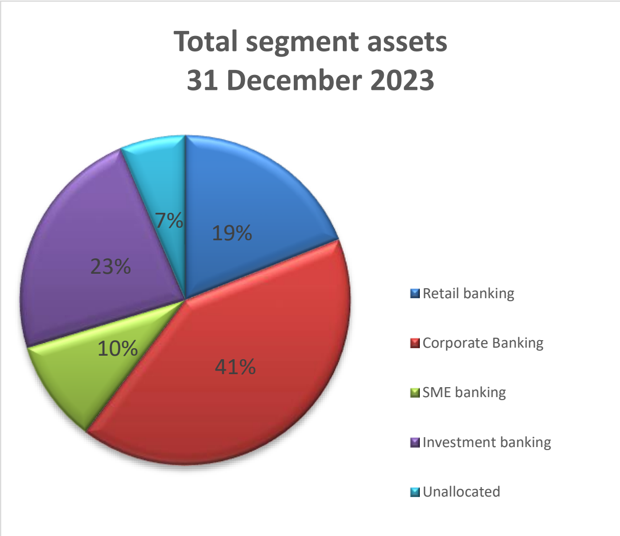


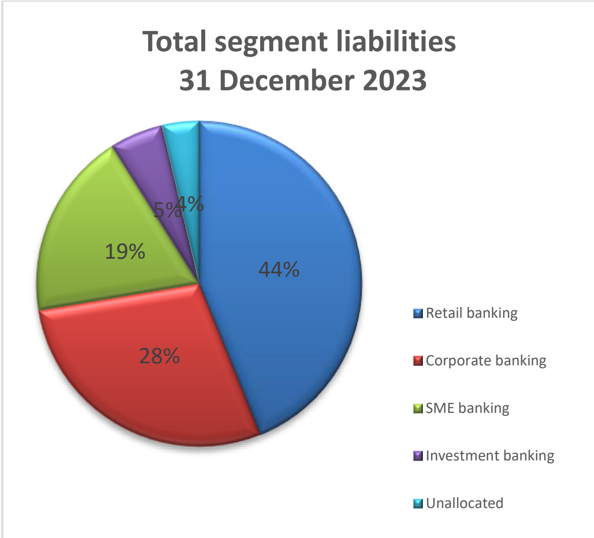
Share of segment assets and liabilities as at 31 December 2024 and 2023 presented as follows:





(Millions of Kazakhstani Tenge)





Geographical information

Information for the main geographical areas of the Group is set out below as at 31 December 2024 and 2023 and for the years then ended.

	Kazakhstan	OECD	Non-OECD	Total
31 December 2024				
Total assets	17,003,325	836,324	708,765	18,548,414
External revenues	2,708,579	70,395	76,154	2,855,128
Capital expenditure	(57,894)	-	(8,990)	(66,884)
31 December 2023				
Total assets	13,495,756	1,393,663	604,949	15,494,368
External revenues	2,108,452	103,318	64,306	2,276,076
Capital expenditure	(45,218)	-	-	(45,218)

External revenues, assets and credit related commitments have generally been allocated based on the domicile of the counterparty. Cash on hand, property and equipment and capital expenditure have been allocated based on the country in which they are physically held.

36. Fair values of financial instruments

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

The fair values of the Group's financial assets and financial liabilities are measured at fair value on a recurring basis.

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

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Financial assets and financial liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. Management's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of the assets and liabilities being measured and their placement within the fair value hierarchy.

The Group considers that the accounting estimate related to the valuation of financial instruments where quoted markets prices are not available is a key source of estimation uncertainty because: (i) it is highly susceptible to changes from year to year, as it requires management to make assumptions about interest rates, volatility, exchange rates, the credit rating of the counterparty, valuation adjustments and specific features of transactions and (ii) the impact that recognising a change in the valuations would have on the assets reported on the consolidated statement of financial position, as well as, the related profit or loss reported on the consolidated statement of profit or loss, could be material.

The table below summarises the Group's financial assets and liabilities held at fair value by valuation methodology as at 31 December 2024 and 2023, before any allowances for expected credit losses.

(Millions of Kazakhstani Tenge)

Financial Assets/Liabilities	Fair value 31 December 2024	Fair value 31 December 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Non-derivative financial assets at fair value through profit or loss (Note 7)	258,592	95,431	Level 1	Quoted prices in an active market.	Not applicable	Not applicable
Derivative financial assets at fair value through profit or loss (Note 7)	521,032	337,413	Level 2	Quoted prices in a market that is not sufficiently active.	Not applicable	Not applicable
Derivative financial assets at fair value through profit or loss, excluding options (Note 7)	12,706	132,682	Level 3	Valuation model based on internal rating model.	Percentage discount	The greater discount - the smaller fair value
Derivative financial assets at fair value through profit or loss, excluding options (Note 7)	30,487	23,836	Level 2	Discounted cash flows. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period).	Not applicable	Not applicable
Total financial assets at fair value through profit or loss	**822,817**	**589,362**				
Derivative financial liabilities at fair value through profit or loss, excluding options (Note 7)	6,973	4,202	Level 2	Discounted cash flows. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting year).	Not applicable	Not applicable
Total financial liabilities at fair value through profit or loss	**6,973**	**4,202**				
Non-derivative financial assets at fair value through other comprehensive income (Note 9)	730,682	428,476	Level 1	Quoted prices in an active market.	Not applicable	Not applicable
Non-derivative financial assets at fair value through other comprehensive income in bonds of foreign organisations (Note 9)	2,150,894	1,997,373	Level 2	Quoted prices in a market that is not active.	Not applicable	Not applicable
Non-derivative financial assets at fair value through other comprehensive income – unquoted equity securities (Note 9)	43,184	53	Level 3	Unquoted equity securities	Percentage discount	The greater discount - the smaller fair value
Financial assets at fair value through other comprehensive income	**2,924,760**	**2,425,902**				

(Millions of Kazakhstani Tenge)

There were no transfers between Levels 1 and 2, during the years ended 31 December 2024 and 2023.

During the years ended 31 December 2024 and 2023, there was a transfer between Levels 2 and 3 due to the lack of up-to-date information on market prices due to the lack of an active market for transactions.

	Non-derivative financial assets at fair value through other comprehensive income – unquoted equity securities (Level 3)	Non-derivative financial assets at fair value through profit or loss (Level 3)
31 December 2022	**53**	**107,773**
Settlements*	-	24,909
31 December 2023	**53**	**132,682**
Settlements*	-	(132,672)
Purchase	24,547	6,438
Transfer from Level 2	18,584	6,258
31 December 2024	**43,184**	**12,706**

*As at 31 December 2024 and 2023, the settlements include written-off bonds of Kazakhstani corporations.

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

The following methods and assumptions are used by the Group to estimate the fair value of financial instruments not carried at fair value.

Amounts due to and from credit institutions

For assets and liabilities maturing within one month, the carrying amount approximates fair value due to the relatively short-term maturity of these financial instruments. For the assets and liabilities maturing in over one month, the fair value was estimated as the present value of the estimated future cash flows, discounted at the appropriate year-end market rates.

Loans to customers

The estimate was made by discounting the scheduled future cash flows of the individual loans through the estimated maturity using prevailing market rates as at the respective year-end.

Amounts due to customers

Interest rates charged to customers closely approximate market interest rates and accordingly, the carrying amounts approximate fair values.

(Millions of Kazakhstani Tenge)

Debt securities issued

Market values have been used to determine the fair value of debt securities traded on an active market. For other debt securities, the fair value was estimated as the present value of estimated future cash flows, discounted at the year-end market rates.

The following table sets out the carrying amount and fair values of financial assets and liabilities not carried at their fair values:

	31 December 2024		31 December 2023	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Amounts due from credit institutions	156,966	159,886	171,754	177,504
Debt securities at amortised cost, net of allowance for expected credit losses	766,937	723,439	725,343	665,491
Loans to customers	11,465,649	11,567,889	9,284,872	9,360,564
Financial liabilities				
Amounts due to customers	12,990,043	13,074,197	10,929,504	10,885,820
Amounts due to credit institutions	814,069	834,992	778,311	816,092
Debt securities issued	879,212	875,975	653,393	642,695

			31 December 2024
	Level 2	**Level 3**	**Total**
Financial assets			
Amounts due from credit institutions	159,886	-	159,886
Debt securities at amortised cost, net of allowance for expected credit losses	720,340	3,099	723,439
Loans to customers	-	11,567,889	11,567,889
Financial liabilities			
Amounts due to customers	13,074,197	-	13,074,197
Amounts due to credit institutions	834,992	-	834,992
Debt securities issued	875,975	-	875,975

			31 December 2023
	Level 2	**Level 3**	**Total**
Financial assets			
Amounts due from credit institutions	177,504	-	177,504
Loans to customers	-	9,360,564	9,360,564
Debt securities at amortised cost, net of allowance for expected credit losses	472,070	193,421	665,491
Financial liabilities			
Amounts due to customers	10,885,820	-	10,885,820
Amounts due to credit institutions	816,092	-	816,092
Debt securities issued	642,695	-	642,695

The carrying amounts of cash and cash equivalents, obligatory reserves, other financial assets and other financial liabilities approximates fair value due to the short-term nature of such financial instruments.

(Millions of Kazakhstani Tenge)

37. Related party transactions

Related parties or transactions with related parties are assessed in accordance with IAS 24 "Related Party Disclosures". Related parties may enter into transactions which unrelated parties might not. Terms, conditions and amounts of related party transactions are usually same as those between unrelated parties. Transactions with related parties are settled on an arm's-length basis and recognised in the financial statements according to the same accounting policy as for similar transactions with unrelated parties.

During 2024 and 2023, the Group entered into arm-length transactions with entities where the Group's shareholders were one of the participants. Management believes that any control of these entities is with unrelated parties as per IFRS Accounting Standards through the level of holding control or trust management arrangements, which are in compliance with Kazakhstan legislation. As such, these transactions are not disclosed as being with related parties.

Considering each possible related party not only their legal status is taken into account but also the substance of the relationship between these parties. The Group had the following balances outstanding as at 31 December 2024 and 2023 with related parties:

	31 December 2024		31 December 2023	
	Related party balances	**Total category as per financial statements caption**	**Related party balances**	**Total category as per financial statements caption**
Loans to customers before allowance for expected credit losses	12,197	12,038,668	12,025	9,774,798
- entities with joint control or significant influence over the entity	11,923		11,706	
- key management personnel of the entity or its parent	259		311	
- other related parties	15		8	
Allowance for expected credit losses	(37)	(573,219)	(48)	(489,926)
- entities with joint control or significant influence over the entity	(33)		(44)	
- key management personnel of the entity and its parent	(3)		(3)	
- other related parties	(1)		(1)	
Other assets	59,227	197,183	51,464	173,662
- Investments in associates	59,227		51,464	
Amounts due to customers	263,054	12,990,043	178,669	10,929,504
- the parent	207,429		110,838	
- entities with joint control or significant influence over the entity	47,450		46,305	
- key management personnel of the entity or its parent	2,978		11,397	
- other related parties	5,197		10,129	
Debt securities issued	339,659	879,212	227,351	653,393
- entities with joint control or significant influence over the entity	338,604		223,473	
- key management personnel of the entity or its parent	1,055		3,878	

(Millions of Kazakhstani Tenge)

Included in the consolidated statement of profit or loss for the years ended 31 December 2024 and 2023, are the following amounts which arose due to transactions with related parties:

	Year ended 31 December 2024		Year ended 31 December 2023	
	Related party transactions	**Total category as per financial statements caption**	**Related party transactions**	**Total category as per financial statements caption**
Interest income calculated using effective interest method	1,313	2,116,154	2,392	1,627,018
- entities with joint control or significant influence over the entity	1,291		2,362	
- key management personnel of the entity or its parent	21		30	
- other related parties	1		-	
Interest expense	(12,944)	(1,062,876)	(10,781)	(872,642)
- the parent	(10,288)		(6,336)	
- entities with joint control or significant influence over the entity	(2,243)		(3,455)	
- key management personnel of the entity or its parent	(140)		(364)	
- other related parties	(273)		(626)	
Share in profit of associate	15,526	15,526	13,593	13,593
Operating expenses	(4,200)	(264,510)	(2,000)	(216,888)
- entities with joint control or significant influence over the entity	(4,200)		(2,000)	

	Year ended 31 December 2024		Year ended 31 December 2023	
	Related party transactions	**Total category as per financial statements caption**	**Related party transactions**	**Total category as per financial statements caption**
Key management personnel compensation:	4,776	160,056	3,715	126,929
- Salaries and other employee benefits	4,776		3,715	

38. Subsequent events

Management has not identified events occurred after 31 December 2024, requiring recognition or disclosure.