KazAgroFinance Joint Stock Company
Financial Statements

for 2024

with Independent Auditors' Report

Content

«КПМГ Аудит» жауапкершілігі шектеулі серіктестік
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Independent Auditors' Report

To the Shareholder and the Board of Directors of KazAgroFinance JSC

Opinion

We have audited the financial statements of KazAgroFinance JSC (the "Company"), which comprise the statement of financial position as at 31 December 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

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

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) *(IESBA Code)* together with the ethical requirements that are relevant to our audit of the condensed interim 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Expected credit losses (ECL) for loans to customers and finance lease receivables	
Please refer to the Notes 3, 4, 8, 9 and 25 in the financial statements.	
Key audit matter	***How the matter was addressed in our audit***
Loans to customers and finance lease receivables represent 87% of total assets and are stated net of allowance for expected credit losses (ECL) that is estimated on a regular basis and is sensitive to assumptions used. The Company applies the ECL model, which requires management to apply professional judgement and to make assumptions related to the following key areas: – timely identification of significant increase in credit risk and default events (allocation between stages 1, 2 and 3 in accordance with IFRS 9 Financial Instruments); – assessment of probability of default (PD) and loss given default (LGD); – expected cash flows forecast for loans to customers and finance lease receivables, which are credit-impaired. Due to the significant volume of loans to customers and finance lease receivables and the related estimation uncertainty of expected credit losses thereon, this area is a key audit matter.	We analysed the key aspects of the Company's methodology and policies related to the ECL estimate for compliance with the requirements of IFRS 9, including involvement of financial risks management specialists. To analyse adequacy of professional judgement and assumptions made by the management in relation to ECL allowance estimate, we performed the following procedures: – For a sample of finance lease receivables we tested correctness of allocation between Stages 1, 2 and 3 by analysing financial and non-financial information, as well as assumptions and professional judgments applied by the Company. – For loans to customers and finance lease receivables allocated to Stages 1, 2 and 3, for which ECL allowances are assessed collectively, we tested the design of the related ECL models, including PD and LGD models, assessed key assumptions and agree input data to underlying documents on a sample basis. – For a sample of loans to customer and finance lease receivables allocated to Stage 3 and POCI, for which ECL allowances are assessed individually, we critically assessed assumptions used by the Company to estimate future cash flows, including estimated proceeds from realisable collateral and their expected disposal terms based on our understanding of historical experience and publicly available market information. We also assessed whether the financial statements disclosures appropriately reflect the Company's exposure to credit risk.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the 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 financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the 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.

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

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

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

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

— Identify and assess the risks of material misstatement of the 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement partner on the audit resulting in this independent auditors' report is:

Assel Urdabayeva
Certified Auditor
of the Republic of Kazakhstan
Auditor's Qualification Certificate
No. MФ-0000096 of 27 August 2012

KPMG Audit LLC
State License to conduct audit #0000021 dated 6 December 2006 issued by the Ministry of Finance of the Republic of Kazakhstan

Sergey Dementyev
General Director of KPMG Audit LLC
acting on the basis of the Charter

17 April 2025

STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

(KZT thousand)

	Note	*31 December 2024*	*31 December 2023*
Assets			
Cash and cash equivalents	6	**53.631.090**	43.800.988
Amounts due from credit institutions	7	**2.433.970**	–
Loans to customers	8	**7.556.690**	8.110.763
Finance lease receivables	9	**550.252.407**	448.423.563
Inventories		**2.984.702**	3.042.877
Current corporate income tax assets		**134.115**	134.115
Property, plant and equipment		**861.659**	872.477
Intangible assets		**360.931**	412.854
VAT and other taxes receivable		**10.804.325**	10.493.470
Advances paid	10	**4.004.360**	6.371.028
Coupon prepayments on debt securities issued	14	**9.938.789**	–
Investments in associates		–	434.037
Other assets	19	**1.284.167**	1.207.279
Total assets		**644.247.205**	523.303.451
Liabilities			
Amounts due to the Shareholder	11	**12.949.396**	17.640.752
Amounts due to NMH Baiterek JSC	12	**13.367.595**	12.423.531
Amounts due to credit institutions	13	**16.183.877**	34.080.723
Debt securities issued	14	**343.171.310**	210.268.288
Payables to suppliers	15	**1.127.246**	5.209.262
Government grants	16	**50.355.083**	43.518.065
Deferred corporate income tax liabilities	17	**4.447.718**	7.132.562
Advances received	18	**5.131.334**	5.013.679
Other liabilities	19	**4.849.512**	2.447.689
Total liabilities		**451.583.071**	337.734.551
Equity	20		
Share capital		**102.837.204**	102.837.204
Additional paid-in capital		**57.791.144**	57.791.144
Reserve capital		**1.436.184**	1.436.184
Retained earnings		**30.599.602**	23.504.368
Total equity		**192.664.134**	185.568.900
Total liabilities and equity		**644.247.205**	523.303.451
Book value per ordinary share (KZT)	20	**1.869,98**	1.800,48

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

Orazbayev Zhanuzak Zhenisovich — Deputy Chairman of the Management Board

Spivak Olga Arkadiyevna — Chief Accountant

17 April 2025

The notes set out on pages 5 to 49 form an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024

(KZT thousand)

	Note	2024	2023
Interest income calculated using the effective interest rate			
Cash and cash equivalents		**11.537.757**	6.786.477
Loans to customers		**298.458**	254.663
Amounts due from credit institutions		**7.519**	116.391
		11.843.734	7.157.531
Other interest income			
Finance lease receivables		**78.774.908**	65.080.424
		78.774.908	65.080.424
Total interest income		**90.618.642**	72.237.955
Interest expense			
Debt securities issued		**(35.292.821)**	(27.472.284)
Amounts due to credit institutions		**(1.941.977)**	(3.450.400)
Amounts due to the Shareholder		**(1.763.806)**	(2.228.583)
Amounts due to NMH Baiterek JSC		**(1.454.064)**	(1.349.291)
Total interest expense		**(40.452.668)**	(34.500.558)
Net interest income		**50.165.974**	37.737.397
Credit loss expenses	22	**(22.741.102)**	(12.075.773)
Net interest income after credit loss expense		**27.424.872**	25.661.624
Other income	23	**466.382**	458.981
Net foreign exchange gain/(loss)		**166.847**	(440.772)
Personnel expenses	24	**(4.498.453)**	(3.964.676)
Other operating expenses	24	**(1.908.378)**	(1.703.372)
Net loss from modification of loans to customers and finance lease receivables non-resulting in derecognition		**(2.875.849)**	(592.722)
Other impairment losses and provisioning expenses	22	**(153.717)**	(488.940)
Non-interest expense		**(8.803.168)**	(6.731.501)
Profit before corporate income tax		**18.621.704**	18.930.123
Corporate income tax benefit/(expense)	17	**1.723.252**	(1.948)
Profit for the year		**20.344.956**	18.928.175
Other comprehensive income		**–**	–
Total comprehensive income for the year		**20.344.956**	18.928.175
Basic and diluted earnings per ordinary share (KZT)	20	**197,84**	207,62

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

Orazbayev Zhanuzak Zhenisovich — Deputy Chairman of the Management Board

Spivak Olga Arkadiyevna — Chief Accountant

17 April 2025

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STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

(KZT thousand)

	Share capital	*Additional paid-in capital*	*Reserve capital*	*Retained earnings*	*Total*
At 1 January 2023	82.837.204	57.791.144	1.436.184	14.885.880	156.950.412
Total comprehensive income for the year	–	–	–	18.928.175	18.928.175
Issue of own equity instruments (shares)	20.000.000	–	–	–	20.000.000
Dividends declared *(Note 20)*	–	–	–	(10.309.687)	(10.309.687)
At 31 December 2023	**102.837.204**	**57.791.144**	**1.436.184**	**23.504.368**	**185.568.900**
Total comprehensive income for the year	–	–	–	**20.344.956**	**20.344.956**
Dividends declared *(Note 20)*	–	–	–	**(13.249.722)**	**(13.249.722)**
At 31 December 2024	**102.837.204**	**57.791.144**	**1.436.184**	**30.599.602**	**192.664.134**

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

Orazbayev Zhanuzak Zhenisovich — Deputy Chairman of the Management Board

Spivak Olga Arkadiyevna — Chief Accountant

17 April 2025

STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

(KZT thousand)

	Note	*2024*	*2023*
Cash flow from operating activities			
Interest received		**78.944.054**	66.391.186
Interest paid		**(46.353.714)**	(30.212.765)
Realised income less realised (loss) on foreign exchange operations		**44.536**	173.589
Personnel expenses paid		**(4.449.119)**	(3.937.908)
Other operating expenses paid		**(1.620.115)**	(1.450.136)
Other income received		**317.674**	170.152
Cash flows from operating activities before changes in operating assets and liabilities		**26.883.316**	31.134.118
Net change in operating assets			
Amounts due from credit institutions		**(2.371.587)**	1.000
Loans to customers		**669.963**	2.208.596
Finance lease receivables		**(119.460.595)**	(73.679.642)
VAT and other taxes receivable		**(1.749.194)**	(3.129.099)
Coupon prepayments on debt securities issued		**(9.938.789)**	–
Advances paid		**(29.434)**	(6.209.990)
Other assets		**3.121.466**	3.616.591
Net change in operating liabilities			
Advances received		**243.883**	153.628
Government grants		**18.542.000**	–
Other liabilities		**2.196.718**	(91.707)
Net cash used in operating activities before corporate income tax paid		**(81.892.253)**	(45.996.505)
Corporate income tax paid		**(961.592)**	(453.911)
Net cash used in operating activities		**(82.853.845)**	(46.450.416)
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets		**(169.661)**	(141.876)
Proceeds from sales of property, plant and equipment		**23.839**	11.636
Net cash used in investing activities		**(145.822)**	(130.240)
Cash flows from financing activities			
Proceeds from loans due to the Shareholder	29	**(4.933.964)**	(4.802.194)
Receipt of loans due to credit institutions	29	**–**	30.000.000
Repayment of loans due to credit institutions	29	**(20.479.200)**	(10.479.201)
Proceeds from debt securities issued	29	**175.000.000**	30.278.337
Repayment of debt securities issued	29	**(43.933.000)**	(28.952.250)
Proceeds from increase in share capital		**–**	20.000.000
Dividends paid to the Shareholder	29	**(13.249.722)**	(10.309.687)
Net cash flows from financing activities		**92.404.114**	25.735.005
Effect of changes in exchange rates on cash and cash equivalents		**426.393**	(119.434)
Effect of movements in expected credit losses on cash and cash equivalents	22	**(738)**	2.050
Net increase/(decrease) in cash and cash equivalents		**9.830.102**	(20.963.035)
Cash and cash equivalents at the beginning of the year	6	**43.800.988**	64.764.023
Cash and cash equivalents at the end of the year	6	**53.631.090**	43.800.988

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

Orazbayev Zhanuzak Zhenisovich — Deputy Chairman of the Management Board

Spivak Olga Arkadiyevna — Chief Accountant

17 April 2025

The notes set out on pages 5 to 49 form an integral part of these financial statements.

(KZT thousand)

1. Corporate information

KazAgroFinance Joint Stock Company (the "Company") was established by the Decree of the Government of the Republic of Kazakhstan No.1777 dated 24 November 1999 *"On Certain Agricultural Issues"*, under Kazakhstan legislation. The Company carries out its activities based on the license No.16 of 31 March 2006 issued by the National Bank of the Republic of Kazakhstan (the "NBRK") for conducting operations provided for by the banking legislation of the RK. Besides, the Company has a status of a financial agency according to the Resolution of the NBRK No.195 dated 23 September 2006.

The Company's principal activities are as follows:

- leasing activity in the agro-industrial complex;
- lending to the agro-industrial complex;
- participation in implementing of the programmes funded from the national budget and other programmes aimed at development of the agro-industrial complex.

The Company's registered office is: 51 Kenesary Str., Astana, Republic of Kazakhstan.

As at 31 December 2024 and 31 December 2023, the Company had 16 registered branches in the Republic of Kazakhstan.

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

On 15 July 2022, at the meeting of the Board of Directors of NMH Baiterek JSC a decision was made to transfer 100% of ordinary shares of KazAgroFinance JSC owned by NMH Baiterek JSC to Agrarian Credit Corporation JSC at a cost of KZT 147.470.014 thousand to pay for placement of ordinary shares of Agrarian Credit Corporation JSC. On 25 July 2022, 100% of the Company's shares were transferred to Agrarian Credit Corporation JSC.

As at 31 December 2024 and 31 December 2023 the sole shareholder of the Company is Agrarian Credit Corporation JSC (the "Shareholder"). The Shareholder is a subsidiary of NMH Baiterek JSC. The Company's ultimate owner is the Government of the Republic of Kazakhstan.

Kazakhstan business environment

The Company's operations are primarily located in Kazakhstan. Consequently, the Company is exposed to the economic and financial markets of Kazakhstan which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in Kazakhstan. Depreciation of the Kazakhstan Tenge, the volatility in the global price of oil and the ongoing military conflict between the Russian Federation and Ukraine have also increased the level of uncertainty in the business environment.

The financial statements reflect management's assessment of the impact of the Kazakhstan business environment on the operations and the financial position of the Company. The actual future business environment may differ from management's assessment.

2. Basis of preparation

General

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

The financial statements have been prepared on the historical cost basis.

General, continued

The functional currency of the Company is the Kazakhstani tenge (KZT) as, being the national currency of the Republic of Kazakhstan it reflects the economic substance of the majority of underlying events and circumstances relevant to them. The KZT is also the presentation currency for the purposes of these financial statements. The financial statements are presented in thousands of Kazakhstani tenge ('KZT thousand'), except per common share carrying amounts or unless otherwise indicated.

3. Material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities (with no adjustments).
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Financial assets and liabilities

Initial recognition

All regular way purchases and sales of financial assets and liabilities are recognised on the trade date i.e. the date that the Company commits to purchase the asset or liability. Regular way purchases or sales of financial assets and liabilities that require delivery of assets and liabilities within the period generally established by regulation or convention in the marketplace.

The classification of financial assets at initial recognition depends on the contractual terms and business model used for managing instruments. Financial instruments are initially measured at fair value plus transaction costs.

Initial measurement

Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- amortised cost;
- fair value through other comprehensive income (FVOCI);
- at fair value through profit or loss (FVTPL).

The Company classifies and measures its derivative and trading portfolio at FVTPL. The Company may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial liabilities are measured at amortised cost or at FVTPL when they are held for trading, are derivative instruments or the fair value designation is applied.

3. Material accounting policies, continued

Financial assets and liabilities, continued

Initial measurement, continued

Amounts due from credit institutions, loans to customers, investment securities measured at amortised cost

The Company only measures amounts due from credit institutions, loans to customers and other financial investments at amortised cost if both of the following conditions are met:

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

These terms are detailed below.

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed at the level of individual instruments but at a higher level of aggregated portfolios and is based on observable factors, such as:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the business model and the financial assets held within that business model is evaluated and how this information is reported to the key management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the expected frequency, volume and timing of sales are also important aspects of the Company's business model assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

"Solely payments of principal and interest on the principal amount outstanding" test (SPPI test)

As a second step of its classification process, the Company assesses the contractual terms of the financial asset to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

(KZT thousand)

3. Material accounting policies, continued

Financial assets and liabilities, continued

Business model assessment, continued

Debt instruments measured at FVOCI

The Company measures debt instruments at FVOCI, if both of the following conditions are met:

- the instrument is held within a business model which objective is achieved by both collecting contractual cash flows and selling financial assets;
- contractual terms of the financial assets comply with the SPPI test.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income ('OCI'). Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

Expected credit losses (ECL) on debt instruments at FVOCI will not decrease the carrying amount of these financial assets in the statement of financial position that continue to be measured at fair value. Instead, the amount equal to the allowance for expected losses that would be created when measuring the asset at amortised cost is recognized in OCI as the cumulative amount of the impairment with the recognition of corresponding amounts in profit or loss. The cumulative amount of losses recognised in OCI is reclassified to profit or loss when the asset is derecognised.

The Company sometimes at initial recognition of some investments in equity instruments makes an irrevocable decision to classify investments in equity instruments at FVTPL if they meet the definition of an equity instrument according to IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as other income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment. Upon disposal of such instruments, accumulated revaluation reserve is transferred to retained earnings.

Financial guarantees and credit related commitments

The Company issues financial guarantees and credit related commitments.

Financial guarantees are initially recognised in the financial statements at fair value, being the premium received.

Subsequent to initial recognition, the Company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss and ECL allowance.

Credit related commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer.

The Company occasionally issues commitments to provide loans at below-market interest rates. Such commitments are initially recognised at fair value and subsequently measured at the higher of an ECL allowance and the amount initially recognised less cumulative income, where appropriate.

Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company changes the business model for managing financial assets. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets and liabilities in 2024 and 2023.

Borrowings

Issued financial instruments or their components are classified as liabilities, where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity instruments. After initial recognition, borrowings are subsequent measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the borrowings are derecognised as well as through the amortisation process.

If the Company purchases its own debt, it is removed from the statement of financial position and the difference between the carrying amount of the liability and the consideration paid is recognised in profit or loss.

3. Material accounting policies, continued

Financial assets and liabilities, continued

Restructured loans

Where possible, the Company 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.

The Company derecognises a financial asset, e.g. a loan to a customer, if the related contractual terms are renegotiated to the extent that it in fact becomes a new loan, and records the difference as gains or losses arising from derecognition before impairment loss is recognised. Upon initial recognition the loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCI. When assessing, whether the loan to customer should be derecognised, the Company considers the following:

- change in currency of the loan;
- change in counterparty;
- if the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not imply a substantial change in cash flows, such modification does not result in a derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss that is presented in the statement of profit or loss and other comprehensive income, to the extent that an impairment loss has not already been recorded.

If the modification does not result in derecognition, the Company also reassesses the significant increase in credit risk or the need to classify assets as credit-impaired. After the designation of an asset as credit-impaired as a result of modification, it remains within Stage 3 for a probation period of at least 6 months. To transfer a restructured loan from Stage 3, regular payments of more than insignificant amounts of principal or interest are needed during at least half of the probation period in accordance with the modified amortisation schedule.

Modification of the terms of financial liabilities

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

If a modification (or exchange) does not result in the derecognition of the financial liability the Company applies accounting policy consistent with the requirements for adjusting the gross carrying amount of a financial asset when a modification does not result in the derecognition of the financial asset, i.e. the Company recognises any adjustment to the amortised cost of the financial liability arising from such a modification (or exchange) in profit or loss at the date of the modification (or exchange).

Changes in cash flows on existing financial liabilities are not considered as modification, if they result from existing contractual terms.

The Company assesses whether the modification is substantial based on quantitative and qualitative factors in the following order: qualitative factors, quantitative factors, combined effect of qualitative and quantitative factors. The Company concludes that the modification is substantial as a result of the following qualitative factors:

- change the currency of the financial liability;
- change in collateral or other credit enhancement;
- inclusion of conversion feature;
- change the subordination of the financial liability.

For the quantitative assessment 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 interest rate, is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

(KZT thousand)

3. Material accounting policies, continued

Derecognition of financial assets and financial liabilities

Financial assets

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

- The rights to receive cash flows from the asset have expired;
- The Company has transferred its right to receive cash flows from the asset, or has assumed an obligation to transfer the received cash flows in full without material delay to a third party under a "pass-through' arrangement; and
- The Company 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.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Write-off

Financial assets are written off in part or in full, only when the Company does not expect to recover their value. If the amount to be written off is higher than the accumulated impairment allowance, the difference is at first recorded as the increase in the allowance that is subsequently applied to the gross carrying amount. All the subsequent reversals are recognised as credit loss expenses. The write-off relates to the derecognition event.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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

Government grants

A government grant is recognised at fair value when there is reasonable assurance that the grant will be received and the Company will comply with any conditions attached to the grant. Government grants exclude assistance by government in the form of transfers of resources for subsequent transfer to third parties with no obligation for the Company for past or future compliance with certain conditions relating to its operating activities.

A government grant may take a form of benefit of the below-market rate of interest government loans. Such loans are recognised and measured in accordance with IFRS 9 *Financial Instruments*. The amount of benefit is measured as the difference between the initial fair value of a loan and the proceeds received from this loan.

In cases where the government acts as a Shareholder providing loans at a below market rate, the amount of benefit of the below-market rate of interest government loans is accounted for as the Shareholder's contribution.

Government grants are recognised as income on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

When funds are received to finance the finance lease transactions, the government grant is recognised as income on a systematic basis and compensates the negative effect of interest accrued at the market rate on a loan received at a below market rate. Such government grant income reduces the related interest expense in the statement of profit or loss and other comprehensive income.

Leases

Right-of-use asset

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment testing.

(KZT thousand)

3. Material accounting policies, continued

Leases, continued

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Company also applies the lease of low-value assets recognition exemption to leases wherein an underlying asset is considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Amounts recognised in the statement of financial position and statement of profit or loss and other comprehensive income

As at 31 December 2024 and 2023 the Company did not sign finance lease agreements for which the Company is a lessee. For the period ended 31 December 2024 and 2023, the Company recognised expenses on short-term leases in the amount of KZT 173.940 and KZT 153.724, respectively. The Company did not conclude leases for low-value assets.

Finance lease – Company as a lessor

The Company recognises lease payment receivables in the amount equal to net investments in lease from commencement of the lease term. Finance income is calculated based on a pattern reflecting a constant periodic rate of return on the carrying amount of net investments. Initial direct costs are recorded within initial amount of lease payment receivables.

Leases which assume transfer of substantially all the risks and rewards of ownership are classified as finance leases (leasing).

Whether a lease is a finance lease depends on the substance of the transaction rather than the form. Examples of situations that individually or in combination would normally lead to a lease being classified as a finance lease are:

1) the lease transfers ownership of the asset to the lessee by the end of the lease term;
2) the lessee has the option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain at the inception of the lease, that the option will be exercised;
3) the lease term is for the major part of the economic life of the asset even if title is not transferred;
4) at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset, or
5) the leased assets are of such a specialised nature that only the lessee can use them without major modifications being made.

IFRS 16 also identifies characteristics that, individually or in combination, can lead to a lease being classified as a finance lease:

1) if the lessee is entitled to cancel the lease early, the lessor's losses associated with the cancellation are borne by the lessee;
2) gains or losses from fluctuations in the fair value of the residual fall to the lessee (for example, by means of a rebate of lease payments equal to the majority of the proceeds from the sale at the end of the lease term); and
3) the lessee has the ability to continue to lease for a secondary period at a rent that is substantially lower than market rent.

(KZT thousand)

3. Material accounting policies, continued

Leases, continued

Initial measurement

Upon lease commencement, the Company shall recognise assets held under a finance lease as a receivable at an amount equal to the net investment in the lease.

Initial recognition is made on the date of signing of the act of transfer/acceptance of the leasing item with the lessee. The net investment in the lease is the gross investment in the lease discounted at the interest rate implicit in the lease.

Initial direct costs associated with the acquisition of the leasing item are included in the initial measurement of financial lease receivables.

Lease payments are made by lessees on a regular basis in accordance with finance lease agreements. Lease payments are allocated in accordance with the terms of concluded finance lease agreements.

The recognition of finance income should be based on a pattern reflecting a constant periodic rate of return on the lessor's net investment outstanding in respect of the finance lease. The accrual of interest begins at commencement of the lease term, unless otherwise is stipulated by the terms of the finance lease.

The commencement date of a lease is the date on which the lessor makes an asset available for use by a lessee. This is the date of initial recognition of the lease (i.e. recognition by the lessee of the relevant assets, liabilities, income or expenses arising from the lease).

Derecognition

Writing off the principal, fees and other receivables on finance lease at the expense of the established provisions is made in the following cases:

a) declaring the debtor bankrupt and/or excluding the debtor from the national registers of identification numbers;

b) the Company has received an act of the bailiff to terminate the enforcement proceedings and return the writ of execution to the claimant due to the debtor's lack of property that can be foreclosed. At the same time, debt cancellation is made only if the bankruptcy proceedings cannot be applied due to legal restrictions.

Fees may be charged under finance leases. If the fee is an integral part of the effective interest rate for a finance lease such fee is recognised as a discount to the principal amount of the finance lease and is credited to income using the effective interest method. The fee is payable within the terms stipulated by the contract.

The Company records a modification of finance lease as a lease if the following two conditions are met:

1) assets increase under the lease agreement; and

2) consideration for the lease is increased by an amount commensurate with the stand-alone selling price to increase the scope, and by appropriate adjustments to that stand-alone selling price to reflect the circumstances of the particular contract.

If the modification to a finance lease is not recorded as a separate lease agreement, the Company accounts for the modification under IFRS 9.

In the event of a finance lease in which the Company acts as a lessee, the Company, for recognition and measurement of transactions, will be guided by the relevant provisions of IFRS 16 *Leases*.

New standards and interpretations not yet adopted

A number of new standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

IFRS 18 *Presentation and Disclosure in Financial Statements*

IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

(KZT thousand)

3. Material accounting policies (continued)

New standards and interpretations not yet adopted, continued

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under indirect method.

The Company is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Company's statement of profit or loss and other comprehensive income, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

Other standards

The following new and amended standards are not expected to have a significant impact on the Company's financial statements.

— Lack of Exchangeability (Amendments to IAS 21).

— Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

4. Significant accounting judgments and estimates

Estimation uncertainty

In the process of applying the Company's accounting policies, management has used its judgments and made estimates in determining the amounts recognised in the financial statements. The most significant use of judgments and estimates are as follows:

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Additional details are provided in *Notes 13 and 26.*

Assessment of collateral

Management of the Company monitors collateral on a regular basis. Management uses its judgments based on experience or independent estimates to adjust the value of collateral to reflect current market conditions. Additional details are provided in *Notes 8 and 9.*

Expected credit losses/ losses from impairment of financial assets

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining the ECL/impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

Elements of the ECL models that are considered accounting judgments and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment.
- The grouping of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formula and the choice of inputs.
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on probabilities of default (PD), exposures at default (EAD) and losses given default (LGD).
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL assessment models.

(KZT thousand)

4. Significant accounting judgments and estimates, continued

Estimation uncertainty, continued

Taxation

Tax, currency and customs legislation of the Republic of Kazakhstan is 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 Company may be challenged by the relevant local or state authorities. As such, significant additional taxes, penalties and interest may be assessed. Tax periods remain open to review by relevant authorities for 5 (five) calendar years preceding the year of tax review. Under certain circumstances reviews may cover longer periods.

As at 31 December 2024 and 2023, management believes that its interpretation of the legislation is appropriate and that the Company's tax, currency and customs positions will be sustained.

5. Changes in presentation

The Company has revised the classification of income related to compensation for lost profits under contracts for the supply of assets intended for transfer under finance lease agreements. Historically, such income was presented within other income. Taking into account the underlying economic substance, the Company has resolved to classify income related to compensation for lost profits within interest income on finance lease receivables.

The following table summarises the impacts on the Company's financial statements.

	As previously reported	*Adjustments*	*As restated*
Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2023			
Other interest income			
Finance lease receivables	64.329.244	751.180	65.080.424
Total interest income	71.486.775	751.180	72.237.955
Net interest income	36.986.217	751.180	37.737.397
Net interest income after credit loss expenses	24.910.444	751.180	25.661.624
Other income	1.210.161	(751.180)	458.981
Non-interest expense	(5.980.321)	(751.180)	(6.731.501)

	As previously reported	*Adjustments*	*As restated*
Statement of Cash Flows for the year ended 31 December 2023			
Cash flows operating activities			
Interest received	65.640.006	751.180	66.391.186
Other income receipts	921.332	(751.180)	170.152

(KZT thousand)

6. Cash and cash equivalents

As at 31 December 2024 and 2023 cash comprises:

	31 December 2024	*31 December 2023*
Cash on current bank accounts:		
- rated from BBB- to BBB+	**21.183.258**	29.778.065
- rated from BB– to BB+	**2**	825.802
- with the National Bank of the Republic of Kazakhstan	**–**	5.000.000
Total cash on current bank accounts	**21.183.260**	35.603.867
Reverse repurchase agreements for securities (bonds) with original maturities of less than three months	**12.789.465**	–
Total reverse repurchase agreements for securities (bonds) with original maturities of less than three months	**12.789.465**	–
Deposits with the original maturity of less than twelve months		
- rated from BBB- to BBB+	**527.448**	2.060.634
- rated from BB– to BB+	**19.132.405**	6.137.237
Total deposits with the original maturity of less than twelve months	**19.659.853**	8.197.871
Total cash and cash equivalents before loss allowances for expected credit losses	**53.632.578**	43.801.738
ECL allowance	**(1.488)**	(750)
Total cash and cash equivalents net of loss allowances for expected credit losses	**53.631.090**	43.800.988

As at 31 December 2024 the Company has accounts with one bank, whose total balances of cash and cash equivalents exceed 10% of the Company's equity. The gross value of these balances with the above bank as at 31 December 2024 is KZT 21.103.971 thousand or 39.35% of total cash and cash equivalents (31 December 2023: held with one bank KZT 29.778.065 thousand or 67.98%).

As at 31 December 2024, the Company entered into reverse repo agreements at Kazakhstan Stock Exchange. As at 31 December 2024, the reverse repurchase agreements ("reverse repos") are collateralised by bonds of Kazakhstan Sustainability Fund JSC and treasury notes of the Ministry of Finance of the Republic of Kazakhstan. The fair value of the pledged securities at 31 December 2024 was KZT 12.789.465 thousand (31 December 2023: none).

The above table is based on the credit ratings assigned by Standard & Poor's or other agencies converted into Standard & Poor's scale. None of cash and cash equivalents are past due and categorised into Stage 1 of credit risk grading.

Credit quality analysis

Cash is mainly comprised of instruments with a high credit rating and low risk. As at 31 December 2024 and 31 December 2023 the Company recognised allowance for expected credit losses on cash and cash equivalents at an amount equal to 12-months ECL.

7. Amounts due from credit institutions

As at 31 December 2024 and 2023 amounts due from credit institutions comprise:

	31 December 2024	*31 December 2023*
Amounts due from credit institutions		
- rated from BBB- to BBB+	**2.433.992**	–
Total amounts due from credit institutions before loss allowance for expected credit losses	**2.433.992**	–
ECL allowance	**(22)**	–
Total amounts due from credit institutions net of loss allowance for expected credit losses	**2.433.970**	–

The above table is based on the credit ratings assigned by Standard & Poor's or other agencies converted into Standard & Poor's scale. No amounts due from credit institutions are past due.

As at 31 December 2024, amounts due from credit institutions include deposits with banks in foreign currency in the amount of KZT 2.433.970 thousand (31 December 2023: none).

As at 31 December 2024 the Company had no banks (31 December 2023: had no balances), whose balances exceed 10% of equity.

(KZT thousand)

7. Amounts due from credit institutions, continued

None of amounts due from credit institutions are past due and categorised into Stage 1 of credit risk grading.

Credit quality analysis

Amounts due from credit institutions are mainly comprised of instruments with a high credit rating and low risk.

As at 31 December 2024 the Company recognised allowance for expected credit losses on amounts due from credit institutions at an amount equal to 12-months ECL.

8. Loans to customers

As at 31 December 2024 and 2023 loans to customers comprise:

	31 December 2024	*31 December 2023*
Loans to legal entities	**24.514.182**	25.183.792
Loans to individuals	**2.649.039**	2.667.923
Total loans to customers before ECL allowance	**27.163.221**	27.851.715
ECL allowance	**(19.606.531)**	(19.740.952)
Loans to customers	**7.556.690**	8.110.763

ECL allowance for loans to customers measured at amortised cost

An analysis of changes in the ECL allowance for 2024 in respect of legal entities is as follows:

	2024			
Legal entities	*Stage 1 12–months expected credit losses*	*Stage 2 Lifetime ECL – not credit-impaired*	*Stage 3 Lifetime ECL – credit-impaired*	*Total*
ECL allowance at 1 January 2024	763	**14.091**	**17.855.171**	**17.870.025**
New assets originated or purchased	**27.770**	–	–	**27.770**
Transfers to Stage 1	**11.209**	**(11.209)**	–	–
Transfers to Stage 2	–	–	–	–
Transfers to Stage 3	**(5.601)**	**(2.916)**	**8.517**	–
Net (reversal)/charge for the year	**(16.079)**	**34**	**(486.260)**	**(502.305)**
Unwinding of discount on present value of ECLs	–	–	**300.641**	**300.641**
At 31 December 2024	18.062	–	17.678.069	17.696.131

An analysis of changes in the ECL allowance for 2024 in respect of individuals is as follows:

	2024			
Individuals	*Stage 1 12–months expected credit losses*	*Stage 2 Lifetime ECL – not credit-impaired*	*Stage 3 Lifetime ECL – credit-impaired*	*Total*
ECL allowance at 1 January 2024	–	489.659	1.381.268	1.870.927
New assets originated or purchased	–	–	–	–
Transfers to Stage 1	–	–	–	–
Transfers to Stage 2	–	–	–	–
Transfers to Stage 3	–	(489.659)	489.659	–
Net charge of loss allowance	–	–	36.393	36.393
Unwinding of discount on present value of ECLs	–	–	3.080	3.080
At 31 December 2024	–	–	1.910.400	1.910.400

(KZT thousand)

8. Loans to customers (continued)

ECL allowance for loans to customers measured at amortised cost (continued)

An analysis of changes in the ECL allowance for 2023 in respect of legal entities is as follows:

	2023			
Legal entities	***Stage 1 12–months expected credit losses***	***Stage 2 Lifetime ECL – not credit-impaired***	***Stage 3 Lifetime ECL – credit-impaired***	***Total***
ECL allowance at 1 January 2023	141.624	–	15.443.712	15.585.336
New assets originated or purchased	–	–	–	–
Transfers to Stage 1	7.216	–	(7.216)	–
Transfers to Stage 2	(141.287)	187.744	(46.457)	–
Transfers to Stage 3	–	(627.206)	627.206	–
Net (reversal)/charge for the year	(6.790)	453.553	2.072.872	2.519.635
Unwinding of discount on present value of ECLs	–	–	213.339	213.339
Amounts written off	–	–	(448.285)	(448.285)
At 31 December 2023	763	14.091	17.855.171	17.870.025

An analysis of changes in the ECL allowance for 2023 in respect of individuals is as follows:

	2023			
Individuals	***Stage 1 12–months expected credit losses***	***Stage 2 Lifetime ECL – not credit-impaired***	***Stage 3 Lifetime ECL – credit-impaired***	***Total***
ECL allowance at 1 January 2023	–	–	1.974.030	1.974.030
New assets originated or purchased	–	–	–	–
Transfers to Stage 1	–	–	–	–
Transfers to Stage 2	–	619.171	(619.171)	–
Transfers to Stage 3	–	–	–	–
Net (reversal)/charge for the year	–	(129.512)	165.257	35.745
Unwinding of discount on present value of ECLs	–	–	49.868	49.868
Amounts written off	–	–	(188.716)	(188.716)
At 31 December 2023	–	489.659	1.381.268	1.870.927

In determining the ECL allowance for loans to customers at 31 December 2024, management used the following key assumptions:

- the PD on loans categorised into Stage 1 credit exposures was estimated at 3.17%-6.22%, depending on a borrower's segment and remaining maturities;
- the LGD parameter for loans categorised into Stages 1 and 3 credit exposures averaged 38% and 59%, respectively.

In determining the ECL allowance for loans to customers at 31 December 2023, management used the following key assumptions:

- the PD on loans categorised into Stage 1 credit exposures was estimated at 4.43%-22.78% and for loans categorised into Stage 2 credit exposures – at 31.3%-52.2%, depending on a borrower's segment and remaining maturities;
- the LGD parameter for loans categorised into Stage 1 credit exposures was estimated at 20%; for loans categorised into Stage 2 – at 25%; and for loans categorised into Stage 3 – at 49.6%.

Changes in the above estimates could affect the ECL allowance for loans issued. For example, to the extent that the net present value of the estimated cash flows differs by plus one percent, allowance for expected credit losses on loans issued as at 31 December 2024 would be KZT 66.276 thousand lower (31 December 2023: KZT 67.329 thousand).

(KZT thousand)

8. Loans to customers, continued

ECL allowance for loans to customers measured at amortised cost (continued)

The following table provides information on the credit quality of loans to customers as at 31 December 2024 and 31 December 2023:

	31 December 2024			
Legal entities	***Stage 1 12-months expected credit losses***	***Stage 2 Lifetime ECL – not credit-impaired***	***Stage 3 Lifetime ECL – credit-impaired***	***Total***
– not overdue	355.781	–	5.186.654	5.542.435
– overdue less than 30 days	–	–	2.171.558	2.171.558
– overdue more than 31 days and less than 90 days	–	–	781.471	781.471
– overdue more than 91 days and less than 180 days	–	–	463.737	463.737
– overdue more than 181 days and less than 1 year	–	–	1.403.863	1.403.863
– overdue more than 1 year	–	–	14.151.118	14.151.118
	355.781	–	24.158.401	24.514.182
Loss allowance	(18.062)	–	(17.678.069)	(17.696.131)
Total loans to customers	337.719	–	6.480.332	6.818.051

	31 December 2024			
Individuals	***Stage 1 12-months expected credit losses***	***Stage 2 Lifetime ECL – not credit-impaired***	***Stage 3 Lifetime ECL – credit-impaired***	***Total***
– not overdue	2.482	–	–	2.482
– overdue less than 30 days	–	–	–	–
– overdue more than 31 days and less than 90 days	–	–	1.576	1.576
– overdue more than 91 days and less than 180 days	–	–	831.641	831.641
– overdue more than 181 days and less than 1 year	–	–	–	–
– overdue more than 1 year	–	–	1.813.340	1.813.340
	2.482	–	2.646.557	2.649.039
Loss allowance	–	–	(1.910.400)	(1.910.400)
Total loans to customers	2.482	–	736.157	738.639

	31 December 2023			
Legal entities	***Stage 1 12-months expected credit losses***	***Stage 2 Lifetime ECL – not credit-impaired***	***Stage 3 Lifetime ECL – credit-impaired***	***Total***
– not overdue	101.650	99.562	5.528.190	5.729.402
– overdue less than 30 days	–	–	454.670	454.670
– overdue more than 31 days and less than 90 days	–	38.818	30.085	68.903
– overdue more than 91 days and less than 180 days	–	–	145.709	145.709
– overdue more than 181 days and less than 1 year	–	–	64.203	64.203
– overdue more than 1 year	–	–	18.720.905	18.720.905
	101.650	138.380	24.943.762	25.183.792
Loss allowance	(763)	(14.091)	(17.855.171)	(17.870.025)
Total loans to customers	100.887	124.289	7.088.591	7.313.767

(KZT thousand)

8. Loans to customers, continued

ECL allowance for loans to customers measured at amortised cost (continued)

	31 December 2023			
Individuals	*Stage 1 12-months expected credit losses*	*Stage 2 Lifetime ECL – not credit-impaired*	*Stage 3 Lifetime ECL – credit-impaired*	*Total*
– not overdue	4.956	804.776	–	809.732
– overdue less than 30 days	–	–	–	–
– overdue more than 31 days and less than 90 days	–	–	–	–
– overdue more than 91 days and less than 180 days	–	–	8.431	8.431
– overdue more than 181 days and less than 1 year	–	–	129.465	129.465
– overdue more than 1 year	–	–	1.720.295	1.720.295
	4.956	804.776	1.858.191	2.667.923
Loss allowance	–	(489.659)	(1.381.268)	(1.870.927)
Total loans to customers	4.956	315.117	476.923	796.996

Analysis of movements in the gross carrying amounts

The note further explains how significant movements in the gross carrying amounts of loans to customers have contributed to changes in loss allowances for expected credit losses.

During 2024, repayments of loans to customers designated to Stage 3 of KZT 1.096.242 thousand (31 December 2023: KZT 2.104.222 thousand) resulted in a decrease in the allowance for expected credit losses in the amount of KZT 572.517 thousand on loans to customers designated to Stage 3 (31 December 2023: KZT 653.007 thousand). There were no any repayments of loans designated to Stage 2 in 2024 (2023: repayments of loans to customers designated to Stage 2 of KZT 81.698 thousand resulted in a decrease in the allowance for expected credit losses in the amount of KZT 26.718 thousand on loans to customers designated to Stage 2).

Collateral and other instruments that reduce credit risk

The amount and type of collateral required by the Company depend 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 commercial lending collateral include real estate, land and agricultural machinery.

Collateral and other instruments that reduce credit risk (continued)

The following table provides information on collateral and other credit enhancements related to loans to customers (net of loss allowance) as at 31 December 2024, by types of collateral:

	Loans to customers, carrying amount	**Fair value of collateral: for collateral assessed during the reporting period**
Loans to customers, under which the ECL are within 12 monthss:		
Real estate	**2.482**	**2.482**
No collateral or other credit enhancement	**337.719**	**–**
Total loans to customers, under which the ECL are within 12 monthss	**340.201**	**2.482**
Loans to customers with lifetime ECL of assets credit-impaired:		
Real estate	**7.094.301**	**7.094.301**
Vehicles	**9.490**	**9.490**
Land plots	**5.452**	**5.452**
Other collateral	**74.405**	**74.405**
No collateral or other credit enhancement	**32.841**	**–**
Total loans to customers with lifetime ECL of assets credit-impaired	**7.216.489**	**7.183.648**
Total loans to customers	**7.556.690**	**7.186.130**

(KZT thousand)

8. Loans to customers, continued

ECL allowance for loans to customers measured at amortised cost (continued)

Collateral and other instruments that reduce credit risk (continued)

The following table provides information on collateral and other credit enhancements related to loans to customers (net of impairment allowance) as at 31 December 2023, by types of collateral:

	Loans to customers, carrying amount	Fair value of collateral: for collateral assessed during the reporting period
Loans to customers, under which the ECL are within 12 monthss:		
Real estate	105.843	105.843
Total loans to customers, under which the ECL are within 12 monthss	105.843	105.843
Loans to customers with lifetime ECL of assets not credit-impaired:		
Real estate	439.406	439.406
Total loans to customers with lifetime ECL of assets not credit-impaired	439.406	439.406
Loans to customers with lifetime ECL of assets credit-impaired:		
Real estate	7.441.591	7.441.591
Vehicles	19.591	19.591
Equipment	249	249
Land plots	5.404	5.404
Other collateral	66.386	66.386
No collateral or other credit enhancement	32.293	–
Total loans to customers with lifetime ECL of assets credit-impaired	7.565.514	7.533.221
Total loans to customers	8.110.763	8.078.470

Management monitors the market value of collateral, requests additional collateral under the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for impairment.

Concentration of loans to customers

As at 31 December 2024, the Company had a concentration of loans represented by KZT 13.876.205 thousand issued by the Company to ten largest unrelated parties or 51.08% of the gross loan portfolio (31 December 2023: KZT 14.084.507 thousand or 50.57% of gross loan portfolio). As at 31 December 2024 the ECL allowance of KZT 9.776.015 thousand was formed against these loans (31 December 2023: KZT 10.042.753 thousand).

Loans are issued to customers within the Republic of Kazakhstan carrying out activities in the agricultural sector of the economy.

9. Finance lease receivables

The analysis of finance lease receivables at 31 December 2024 and 2023 is as follows:

	31 December 2024	*31 December 2023*
Less than 1 year	**165.983.191**	127.053.750
From 1 to 2 years	**112.034.689**	88.612.504
From 2 to 3 years	**116.126.346**	94.683.014
From 3 to 4 years	**118.427.794**	95.269.268
From 4 to 5 years	**111.151.962**	94.361.782
More than 5 years	**291.086.880**	284.657.366
Minimum lease payments	**914.810.862**	784.637.684
Less unearned finance income		
Less than 1 year	**(9.007.082)**	(7.195.510)
From 1 to 5 years	**(143.185.844)**	(128.466.182)
More than 5 years	**(151.823.607)**	(162.926.309)
Less unearned finance income, total	**(304.016.533)**	(298.588.001)
Allowance for expected credit losses	**(60.541.922)**	(37.626.120)
Finance lease receivables	**550.252.407**	448.423.563

(KZT thousand)

9. Finance lease receivables, continued

In determining the ECL allowance for finance lease receivables as at 31 December 2024, management used the following key assumptions:

- the PD on finance lease receivables categorised into Stage 1 credit exposures was estimated at 0.61%-6.62% and for finance lease receivables categorised into Stage 2 credit exposures - from 14.14%-56%, depending on a borrower's segment and remaining maturities;
- the LGD parameter for finance lease receivables categorised into Stage 1 credit exposures averaged 14%; for finance lease receivables categorised into Stage 2 averaged 18.5%; and for finance lease receivables categorised into Stage 3 - 28.6%.

In determining the ECL allowance for finance lease receivables as at 31 December 2023, management used the following key assumptions:

- the PD on finance lease receivables categorised into Stage 1 credit exposures was estimated at 4.42%-22.7% and for finance lease receivables categorised into Stage 2 credit exposures - from 24.7%-65%, depending on a borrower's segment and remaining maturities;
- the LGD parameter for finance lease receivables categorised into Stage 1 credit exposures averaged 10%; for finance lease receivables categorised into Stage 2 averaged 9.5%; and for finance lease receivables categorised into Stage 3 - 25.45%.

Changes in the above estimates could affect the ECL allowance for finance lease receivables. For example, to the extent that the net present value of the estimated cash flows differs by plus one percent, allowance for expected credit losses on finance lease receivables as at 31 December 2024 would be KZT 989.386 thousand lower (31 December 2023: KZT 1.804.366 thousand).

The above facts affected the quality of the loan portfolio as the borrowers were provided the restructuring and extension with deferred payment of principal and interest.

It should be noted that the Company holds ongoing activities to reduce the risk of deterioration of asset quality, including monitoring the financial position of the borrowers/lessees, monitoring and insuring the leased items and collateral, and improving the methodology for asset impairment.

An analysis of changes in the ECL allowance for the year ended 31 December 2024 is as follows:

	2024				
	Stage 1 12–months ECL	**Stage 2 Lifetime ECL – not credit-impaired**	**Stage 3 Lifetime ECL – credit-impaired**	***POCI* Purchased or originated credit-impaired assets**	***Total***
ECL allowance at 1 January 2024	**3.053.459**	**3.422.778**	**31.141.676**	**8.207**	**37.626.120**
New assets originated or purchased	**6.477.294**	**–**	**–**	**11.004**	**6.488.298**
Transfers to Stage 1	**2.495.175**	**(2.301.558)**	**(193.617)**	**–**	**–**
Transfers to Stage 2	**(1.327.942)**	**3.788.845**	**(2.460.903)**	**–**	**–**
Transfers to Stage 3	**(690.956)**	**(5.237.348)**	**5.928.304**	**–**	**–**
Net (reversal)/charge for the year, inclusive of repayments	**(5.783.001)**	**3.919.006**	**18.389.091**	**9.658**	**16.534.754**
Amounts written off	**–**	**–**	**(107.250)**	**–**	**(107.250)**
At 31 December 2024	**4.224.029**	**3.591.723**	**52.697.301**	**28.869**	**60.541.922**

(KZT thousand)

9. Finance lease receivables, continued

An analysis of changes in the ECL allowance for the year ended 31 December 2023 is as follows:

	2023				
	Stage 1 12–months ECL	**Stage 2 Lifetime ECL – not credit-impaired**	**Stage 3 Lifetime ECL – credit-impaired**	***POCI* Purchased or originated credit-impaired assets**	***Total***
ECL allowance at 1 January 2023	4.096.307	593.544	24.375.258	10.975	29.076.084
New assets originated or purchased	1.847.904	–	–	–	1.847.904
Transfers to Stage 1	1.456.926	(1.276.564)	(180.362)	–	–
Transfers to Stage 2	(988.716)	4.575.361	(3.586.645)	–	–
Transfers to Stage 3	(322.883)	(3.668.350)	3.991.233	–	–
Net (reversal)/charge for the year, inclusive of repayments	(3.036.079)	3.198.787	7.466.444	(2.768)	7.626.384
Amounts written off	–	–	(924.252)	–	(924.252)
At 31 December 2023	3.053.459	3.422.778	31.141.676	8.207	37.626.120

Credit quality of finance lease portfolio

The following table sets out information about the credit quality of the finance lease portfolio as at 31 December 2024 and 31 December 2023:

	31 December 2024				
	Stage 1 12–months ECL	**Stage 2 Lifetime ECL – not credit-impaired**	**Stage 3 Lifetime ECL – credit-impaired**	***POCI* Purchased or originated credit-impaired assets**	***Total***
– not overdue	**386.152.147**	**15.726.363**	**77.338.987**	**26.109**	**479.243.606**
– overdue less than 30 days	**18.437.345**	**4.076.425**	**23.461.390**	**3.219**	**45.978.379**
– overdue more than 31 days and less than 90 days	–	**21.327.037**	**21.190.992**	**18.134**	**42.536.163**
– overdue more than 91 days and less than 180 days	–	–	**9.775.438**	**25.572**	**9.801.010**
– overdue more than 181 days and less than 1 year	–	–	**6.117.345**	–	**6.117.345**
– overdue more than 1 year	–	–	**27.117.826**	–	**27.117.826**
	404.589.492	**41.129.825**	**165.001.978**	**73.034**	**610.794.329**
Loss allowance	**(4.224.029)**	**(3.591.723)**	**(52.697.301)**	**(28.869)**	**(60.541.922)**
Total finance lease receivables	**400.365.463**	**37.538.102**	**112.304.677**	**44.165**	**550.252.407**

(KZT thousand)

9. Finance lease receivables, continued

Credit quality of finance lease portfolio, continued

	31 December 2023				
	Stage 1 12–months ECL	Stage 2 Lifetime ECL – not credit-impaired	Stage 3 Lifetime ECL – credit-impaired	POCI Purchased or originated credit-impaired assets	Total
– not overdue	342.524.781	8.286.561	37.875.095	23.627	388.710.064
– overdue less than 30 days	23.390.742	3.791.002	12.523.585	–	39.705.329
– overdue more than 31 days and less than 90 days	–	14.301.047	7.258.120	–	21.559.167
– overdue more than 91 days and less than 180 days	–	–	5.749.024	–	5.749.024
– overdue more than 181 days and less than 1 year	–	–	3.967.786	–	3.967.786
– overdue more than 1 year	–	–	26.358.313	–	26.358.313
	365.915.523	26.378.610	93.731.923	23.627	486.049.683
Loss allowance	(3.053.459)	(3.422.778)	(31.141.676)	(8.207)	(37.626.120)
Total finance lease receivables	362.862.064	22.955.832	62.590.247	15.420	448.423.563

Analysis of movements in gross carrying amounts

Increased funding secured for leases in 2024 caused the gross carrying value of the portfolio to grow by KZT 207.893.160 thousand (31 December 2023: KZT 140.575.098 thousand) and resulted in related increase in the portfolio loss allowance totalling KZT 6.477.294 thousand (31 December 2023: KZT 1.847.904 thousand).

Repayment of finance lease receivables classified into Stage 3 totalling KZT 10.309.260 thousand (31 December 2023: KZT 4.863.286 thousand) resulted in a decrease in ECL allowance of KZT 2.527.650 thousand (31 December 2023: KZT 1.308.660 thousand).

Transfer of finance lease receivables to Stage 3 totalling KZT 94.395.544 thousand (31 December 2023: KZT 62.339.896 thousand) resulted in an increase in ECL allowance of KZT 8.107.941 thousand (31 December 2023: KZT 6.727.300 thousand).

Transfer of finance lease receivables classified into Stage 3 to Stage 2 totalling KZT 19.865.307 thousand (31 December 2023: KZT 12.060.094 thousand) resulted in a decrease in ECL allowance of KZT 1.312.285 thousand (31 December 2023: KZT 1.489.955 thousand).

Transfer of finance lease receivables classified into Stage 1 to Stage 2 totalling KZT 72.688.740 thousand (31 December 2023: KZT 49.009.423 thousand) resulted in an increase in ECL allowance of KZT 2.142.530 thousand (31 December 2023: KZT 2.291.324 thousand).

(KZT thousand)

9. Finance lease receivables (continued)

Analysis of collateral

The following table provides information on collateral, leased assets and other credit enhancements securing finance lease receivables, net of loss allowance, as at 31 December 2024 and 2023, by types of collateral:

	31 December 2024		*31 December 2023*	
	Finance lease receivables, carrying amount	**Fair value of collateral: for collateral assessed during the reporting period**	**Finance lease receivables, carrying amount**	**Fair value of collateral: for collateral assessed during the reporting period**
Leases for which ECL are measured as 12-months ECL:				
Vehicles	**389.962.802**	**389.962.802**	355.775.945	355.775.945
Real estate	**5.308.580**	**5.308.580**	951.952	951.952
Equipment	**4.914.228**	**4.914.228**	5.847.298	5.847.298
Other assets	**–**	**–**	286.869	286.869
No collateral	**179.854**	**–**	–	–
Total leases for which ECL are measured as 12-months ECL	**400.365.464**	**400.185.610**	362.862.064	362.862.064
Leases for which ECL are measured as lifetime ECL for assets that are not credit-impaired:				
Vehicles	**35.622.346**	**35.622.346**	19.899.183	19.899.183
Real estate	**1.312.154**	**1.312.154**	1.373.436	1.225.824
Equipment	**597.427**	**597.427**	1.683.213	1.683.213
No collateral	**6.174**	**–**	–	–
Total leases for which ECL are measured as lifetime ECL for assets that are not credit-impaired	**37.538.101**	**37.531.927**	22.955.832	22.808.220
Leases for which ECL are measured as lifetime ECL for assets that are credit-impaired:				
Vehicles	**94.051.029**	**94.051.029**	53.350.433	53.350.433
Real estate	**16.370.304**	**16.370.304**	373.170	373.170
Equipment	**1.749.866**	**1.749.866**	6.959.977	6.959.977
Other assets	**121.413**	**121.413**	1.906.667	1.906.667
No collateral	**12.065**	**–**	–	–
Total leases for which ECL are measured as lifetime ECL for assets that are credit-impaired	**112.304.677**	**112.292.612**	62.590.247	62.590.247
POCI-assets				
Vehicles	**44.165**	**44.165**	15.420	15.420
Total POCI-assets	**44.165**	**44.165**	15.420	15.420
Total finance lease receivables	**550.252.407**	**550.054.314**	448.423.563	448.275.951

The table above excludes overcollateralisation.

Foreclosed leased assets

During the year ended 31 December 2024 the Company obtained foreclosed leased items for a total of KZT 1.233.874 thousand (2023: KZT 1.293.857 thousand).

Concentration of finance lease receivables

As at 31 December 2024, the Company has ten major independent parties, whose finance lease receivables balances totalled KZT 26.641.313 thousand or 4.36% of gross finance lease receivables (31 December 2023: KZT 26.334.604 thousand or 5.44%). At 31 December 2024, an ECL allowance for these receivables recognised by the Company amounted to KZT 4.347.488 thousand (31 December 2023: KZT 3.799.235 thousand).

(KZT thousand)

10. Advances paid

As at 31 December 2024 and 2023, advances paid comprised:

	31 December 2024	*31 December 2023*
Advances paid for agricultural machinery	**4.004.431**	6.371.174
Advances paid for equipment	**10.770**	10.770
Other advances paid	**442**	367
	4.015.643	6.382.311
Impairment allowance (*Note 22*)	**(11.283)**	(11.283)
Advances paid	**4.004.360**	6.371.028

As at 31 December 2024 and 2023, advances comprised prepayments for supply of agricultural machinery, equipment and cattle to be subsequently leased out under a finance lease.

11. Amounts due to the Shareholder

As at 31 December 2024 and 2023, amounts due to the Shareholder comprised:

	Contract	*Currency*	*Maturity date*	*31 December 2024*	*31 December 2023*
Agrarian Credit Corporation JSC	A loan agreement No. 20-076451-01-KA/2 of 16 July 2021	KZT	2026	**3.294.418**	4.937.227
Agrarian Credit Corporation JSC	A loan agreement No. 1669-ЦА-АБ/1 of 03 October 2022	KZT	2032	**4.002.056**	4.483.395
Agrarian Credit Corporation JSC	A loan agreement No.1595-ЦА-АБ/2 of 10 December 2019	KZT	2029	**3.680.083**	4.340.168
Agrarian Credit Corporation JSC	A loan agreement No. 1564-ЦА-АТ/1 of 28 December 2018	KZT	2025	**1.972.839**	3.879.962
Amounts due to the Shareholder				**12.949.396**	17.640.752

On 27 December 2018, the Company and Agrarian Credit Corporation JSC have entered into a framework agreement on opening a credit line No. 1564-ЦА-АТ, for a total of KZT 15.000.000 thousand; the credit line has a 7-year term and bears a nominal interest rate of 5.0 % p.a.; under the agreement the Company received KZT 13.000.000 thousand. The fair value of the funds received at initial recognition was estimated by discounting their contractual future cash flows, using a market interest rate of 8.32% p.a. The carrying value of this debt as at 31 December 2024 is KZT 1.972.839 thousand (31 December 2023: KZT 3.879.962 thousand).

On 28 November 2019, the Company and Agrarian Credit Corporation JSC have entered into a framework agreement on opening a credit line No. 1595-ЦА-АБ, for a total of KZT 15.000.000 thousand; the credit line has a 7-year term and bears a nominal interest rate of 5.0 % p.a.; under the agreement the Company received KZT 8.225.000 thousand. The fair value of the funds received at initial recognition was estimated by discounting their contractual future cash flows, using a market interest rate of 9.58% p.a. The carrying value of this debt as at 31 December 2024 is KZT 3.680.083 thousand (31 December 2023: KZT 4.340.168 thousand).

On 3 October 2022, the Company concluded with the Shareholder a Supplement Agreement No.1 to the contract ПДЗ №1669-ЦА-АБ-1, whereby the facility has a 10-year term and bears a nominal interest rate of 13.0 % p.a.; under the agreement the Company received KZT 5.000.000 thousand. The fair value of the funds received at initial recognition was estimated by discounting their contractual future cash flows, using a market interest rate of 14.97% p.a. The carrying value of this debt as at 31 December 2024 is KZT 4.002.056 thousand (31 December 2023: KZT 4.483.395 thousand).

As at 31 December 2024 and 2023, the Company was in compliance with restrictive financial covenants under the loan agreements with the Shareholder. The amount due to the Shareholder is not secured by collateral.

(KZT thousand)

12. Amounts due to Baiterek NMH JSC

As at 31 December 2024 and 2023, amounts due to Baiterek NMH JSC comprised:

	Contract	*Currency*	*Maturity date*	*31 December 2024*	*31 December 2023*
Baiterek NMH JSC	A loan agreement № 25	KZT	2041	**13.367.595**	12.423.531
Amounts due to Baiterek NMH JSC				**13.367.595**	12.423.531

As part of optimisation of the structure of the loan previously provided by KazAgro National Managing Holding JSC to the Company from the funds of the National Fund of the Republic of Kazakhstan, by pooling amounts due under the agreements previously concluded, a Loan Agreement No. 25 was signed on 16 June 2021. The loan amount is KZT 50.000.000 thousand, the loan matures on 10 February 2041 and bears an interest rate of 1.02 % p.a., the discount rate is 11.98 % p.a. The purpose of the loan is purchase of locally manufactured and/or assembled agricultural machinery, including self-propelled, trailing and mounted equipment, as well as locally manufactured and/or assembled vehicles for the transportation of agricultural products, processed agricultural products and biological assets, for further transfer of the assets under a finance lease to entities operating in the agro-industry.

As at 31 December 2024 and 2023, the Company was in compliance with restrictive financial covenants under the agreements with Baiterek NMH JSC. The amount due to Baiterek NMH JSC is not secured by collateral.

13. Amounts due to credit institutions

As at 31 December 2024 and 2023, amounts due to credit institutions comprised:

	Currency	*Maturity date*	*31 December 2024*	*31 December 2023*
Halyk Bank JSC	KZT	2025	**6.548.053**	27.549.404
Industrial Development Fund JSC	KZT	2037-2038	**9.635.824**	6.531.319
Amounts due to credit institutions			**16.183.877**	34.080.723

As part of providing the financing for projects implemented in processing and agro-industrial sector, aimed at improving the environment, in a manner and under the terms established by the Decree of the Government of the Republic of Kazakhstan of 2 September 2021 No. 604, on the Company signed the following agreements with Industrial Development Fund JSC.

On 13 August 2022, a loan agreement No.5-ДЗ.was signed. The loan amount is KZT 30.000.000 thousand; the loan term is until 7 August 2042, and a nominal interest rate is 0.35% p.a. Market interest rates used to calculate the fair value of the loan at initial recognition ranged from 13.8% to 14.19% p.a.

Due to amendments made to the Decree of the Government dated 2 September 2021, No. 604, in January 2024, the Company signed an addendum to the contract No.5-ДЗ dated 13 August 2022 concluded with Industrial Development Fund JSC, to shorten the loan term from the year 2042 to the year 2038. Due to substantial modification of the terms of the contract, the Company derecognised an old loan and recognised a new financial liability at fair value. The market rate used to measure the fair value of the loan on initial recognition was 14.55% p.a. The amount of discount and income from the loan issued at the below-market interest rate decreased by KZT 2,074,623 thousand and was included into the adjustment for the government grant previously recognised (Note 16).

On 1 November 2023, a loan agreement No.9-ДЗ was signed with Industrial Development Fund JSC. The loan amount is KZT 20.000.000 thousand; the loan term is until 25 October 2038, and a nominal interest rate is 0.35% p.a. The market interest rate used to calculate the fair value of the loan at initial recognition was 14.25% p.a. Income from the loan received at the below-market interest rate was recognised as government grant, which at the loan recognition date totalled KZT 16.846.775 thousand (Note 16).

The purpose of the loan is purchase of locally manufactured self-propelled agricultural machinery, for its further transfer under a finance lease.

The Company used the following assumptions to determine market interest rates on the dates of initial recognition of loans from Industrial Development Fund JSC:

- risk-free interest rates were determined based on the yield of long-term bonds issued by the Ministry of Finance of the Republic of Kazakhstan;
- the Company's premium paid for credit risk.

Financial covenants

Under the terms of loan agreements with credit institutions, the Company is obliged to comply with certain financial covenants, including prudential standards established by the NBRK for organisations, in which 100% of the voting shares are owned, directly or indirectly, by the national managing holding. As at 31 December 2024 and 31 December 2023 the Company was in compliance with the restrictive covenants under the agreements with the creditors.

(KZT thousand)

14. Debt securities issued

As at 31 December 2024 and 2023, debt securities issued comprised:

	Maturity	*Rate, %*	*Currency*	*31 December 2024*	*31 December 2023*
Issue of coupon bonds	22 July 2031	15.75	KZT	**99.971.539**	–
Issue of coupon bonds	28 July 2029	16.85	KZT	**52.635.248**	52.514.871
Issue of coupon bonds	23 May 2029	13.96	KZT	**50.420.528**	–
Issue of coupon bonds	20 August 2028	11.9	KZT	**41.618.434**	41.594.821
Issue of coupon bonds	21 December 2031	11.5	KZT	**25.079.216**	25.079.159
The second bond issue as part of the third bond programme	12 July 2030	19.25	KZT	**21.755.843**	21.774.763
Issue of coupon bonds	30 January 2028	15.75	KZT	**15.987.857**	–
Issue of coupon bonds	30 April 2025	13.0	KZT	**14.911.594**	15.550.084
Issue of coupon bonds	30 January 2028	15.75	KZT	**10.658.571**	–
Issue of coupon bonds	30 April 2025	14.5	KZT	**10.132.480**	10.131.260
The fourth issue as part of the second bond programme	24 December 2024	12.0	KZT	–	19.868.067
The third issue of as part of the second bond programme	24 December 2024	12.0	KZT	–	19.789.366
The first issue of coupon bonds	12 June 2024	8.5	KZT	–	3.965.897
Debt securities issued				**343.171.310**	210.268.288

On 30 January 2024, the Company issued coupon bonds KZ2C00010841 (KAFIpp4), with a par value KZT 15.000.000 thousand, with maturity before 30 January 2028. Debt securities were issued to finance purchase of various agricultural equipment for further transfer under lease agreements.

On 30 January 2024, the Company issued coupon bonds KZ2C00010908 (KAFIpp5), with a par value of KZT 10.000.000 thousand, with maturity before 30 January 2028. Debt securities were issued for general corporate purposes.

On 23 May 2024, the Company issued coupon bonds KZ2C00011328 (KAFIpp6), with a par value KZT 50.000.000 thousand, with maturity before 23 May 2029. Debt securities were issued to finance purchase of various agricultural equipment for further transfer under lease agreements.

On 22 July 2024, the Company issued coupon bonds KZ2C00011674 (KAFIpp7), with a par value of KZT 100.000.000 thousand, and with maturity before 22 July 2031. Debt securities were issued to finance purchase of various domestically manufactured agricultural equipment for further transfer under lease agreements.

For the purposes of supporting manufacturers engaged in agricultural sector, the Government of the Republic of Kazakhstan developed a programmed aimed at subsidising a coupon rate on debt securities issued, for the purpose of reducing interest rates for lessees. During 2024, the Company received government grants to fund coupon bonds KAFIpp7, in the amount of KZT 15.750.000 thousand, and coupon bonds KAFIpp6, in the amount of KZT 2.792.000 thousand. During 2024, the Company made a prepayment for the total amount of the subsidised coupon rate on the above debt securities issued. The prepaid amount was offset as soon as an interest expense on related debt securities issued had been recognised. As at 31 December 2024, the prepaid amount is KZT 9.938.789 thousand.

On 12 July 2023, the Company issued coupon bonds KZ2C00009843 (KAFIb13), with a par value of KZT 20.000.000 thousand, and with maturity before 12 July 2030. Debt securities were issued to provide financing to do the harvesting, under the signed finance lease agreements.

To meet the financing requirement, on 16 June 2023, the Company additionally issued bonds KZ2C00008514 (KAFIb12) to offer to various types of investors in the market, with the nominal value of KZT 9.832.756 thousand.

(KZT thousand)

14. Debt securities issued (continued)

Due to that bonds reached maturity, the Company redeemed the following bonds:

- On 24 June 2024 – bonds redeemed under KZ2C00003267 (KAFIb4) amounted to KZT 4.117.875 thousand, including the nominal value of KZT 3.950.000 thousand and coupon value of KZT 167.875 thousand;
- On 25 December 2024 – bonds redeemed under KZ2C00006385 (KAFIb9) amounted to KZT 21.181.980 thousand, including the nominal value of KZT 19.983.000 thousand and coupon value of KZT 1.198.980 thousand;
- On 26 December 2024 – bonds redeemed under KZ2C00006781 (KAFIb10) amounted to KZT 21.246.667 thousand, including the nominal value of KZT 20.000.000 thousand and coupon value of KZT 1.246.667 thousand;
- On 24 January 2023 – bonds redeemed under KZ2C00002749 (KAFIb3) amounted to KZT 17.630.340 thousand, including the nominal value of KZT 16.952.250 thousand and coupon value of KZT 678.090 thousand;
- On 13 November 2023 – bonds redeemed under KZ2C00003747 (KAFIb7) amounted to KZT 12.720.000 thousand, including the nominal value of KZT 12.000.000 thousand and coupon value of KZT 720.000 thousand.

As at 31 December 2024 and 2023, the Company complied with the restrictive covenants related to the debt securities issued.

15. Payables to suppliers

As at 31 December 2024 and 2023, accounts payable to suppliers comprise the Company's payables to suppliers for property to be subsequently transferred under a finance lease, as follows:

	31 December 2024	*31 December 2023*
Agricultural machinery	**505.515**	3.295.074
Equipment	**365.798**	1.674.452
Cattle	**828**	761
Other	**255.105**	238.975
Payables to suppliers	**1.127.246**	5.209.262

16. Government grants

	2024	*2023*
Government grants at 1 January	**43.518.065**	27.025.951
Government grants for loans from Industrial Development Fund JSC *(Note 13)*	**(2.074.623)**	16.846.775
Government grants for reimbursement of a coupon rate on debt securities issued *(Note 14)*	**18.542.000**	–
Utilisation of government grants for debt securities issued	**(8.603.211)**	–
Amortisation for the year	**(1.027.148)**	(354.661)
Government grants at 31 December	**50.355.083**	43.518.065

In 2023, the Company recognised as government grants the benefit of KZT 16.846.775 thousand, received as the result of receiving loans from Industrial Development Fund JSC at a low interest rate (the contractual interest rate of 0.35% p.a.) for the purpose of financing the preferential leasing programme for locally manufactured self-propelled agricultural equipment.

The benefits are to be allocated to the Company's lessees by providing finance leases at favourable rates. The amortisation of subsidies for loans received from Industrial Development Fund JSC is recognised by reducing related interest expenses, in the statement of profit or loss and other comprehensive income.

In January 2024, the Company signed an addendum as to shorten the loan term, wherefore the amount of government grant reduced by KZT 2,074,623 thousand *(Note 13)*.

In July and November 2024, the Company recognised as government grants the amount of KZT 18.542.000 thousand, received for reimbursement of a coupon rate on debt securities issued *(Note 14)*. The income from utilisation of government grants for debt securities issued is recognised by reducing related interest expenses, in the statement of profit or loss and other comprehensive income.

(KZT thousand)

17. Taxation

Corporate income tax benefit/(expense) comprises:

	2024	*2023*
Current corporate income tax expense	**(961.592)**	(453.911)
Deferred corporate income tax benefit - origination and reversal of temporary differences	**2.684.844**	451.963
Corporate income tax benefit/(expense)	**1.723.252**	(1.948)

As at 31 December 2024, the Company's current corporate income tax assets totalled KZT 134.115 thousand (31 December 2023: KZT 134.115 thousand).

The corporate income tax rate for the Company was 20.0% in 2024 and 2023.

The effective CIT rate differs from the statutory CIT rate. Below is the reconciliation of corporate income tax expense based on the statutory rate with corporate income tax benefit recorded in the financial statements:

Reconciliation of effective tax rate:

	2024	*%*	*2023*	*%*
Profit before income tax	**18.621.704**	**100**	18.930.123	100
Income tax at the applicable tax rate	**(3.724.341)**	**(20.0)**	(3.786.025)	(20.0)
Non-taxable interest income on finance lease receivables	**11.077.675**	**59.5**	6.822.955	36.0
Corporate income tax expense withheld at the source of payment	**(961.592)**	**(5.2)**	(453.911)	(2.4)
Non-deductible credit loss expenses	**(4.548.220)**	**(24.4)**	(2.415.154)	(12.8)
Other non-deductible expenses	**(120.270)**	**(0.6)**	(169.813)	(0.9)
Corporate income tax benefit/(expense)	**1.723.252**	**9.3**	(1.948)	–

Deferred corporate income tax assets and liabilities, and their movement for the respective years comprised the following at 31 December:

	2022	*Recognised in profit or loss*	*2023*	*Recognised in profit or loss*	*2024*
Tax effect of deductible temporary differences					
Loans to customers	–	8.536	**8.536**	**35.765**	**44.301**
Finance lease receivables	89.371	62.089	**151.460**	**411.754**	**563.214**
Government grants	5.405.190	3.298.423	**8.703.613**	**1.367.404**	**10.071.017**
Accrued expenses for unused vacation time	89.982	6.611	**96.593**	**8.488**	**105.081**
Forfeits recognised in accordance with the court ruling	352.414	(21.014)	**331.400**	**1.425**	**332.825**
Property, plant and equipment and intangible assets	–	–	–	**27.615**	**27.615**
Deferred corporate income tax assets	5.936.957	3.354.645	**9.291.602**	**1.852.451**	**11.144.053**
Tax effect of taxable temporary differences					
Loans to customers	(194)	194	**–**	**–**	**–**
Amounts due to the Shareholder	(272.421)	75.146	**(197.275)**	**61.499**	**(135.776)**
Amounts due to Baiterek NMH JSC	(7.722.819)	167.858	**(7.554.961)**	**188.813**	**(7.366.148)**
Debt securities issued	(155.097)	66.549	**(88.548)**	**66.734**	**(21.814)**
Amounts due to credit institutions	(5.338.164)	(3.236.367)	**(8.574.531)**	**506.498**	**(8.068.033)**
Property, plant and equipment and intangible assets	(32.787)	23.938	**(8.849)**	**8.849**	**–**
Deferred corporate income tax liabilities	(13.521.482)	(2.902.682)	**(16.424.164)**	**832.393**	**(15.591.771)**
Net deferred corporate income tax liability	(7.584.525)	451.963	**(7.132.562)**	**2.684.844**	**(4.447.718)**

Reconciliation of effective tax rate:

Deferred corporate income tax assets are recognised only to the extent that it is probable that the future taxable profit will be available against which an asset can be utilised. Deferred corporate income tax assets are decreased to the extent that it is no longer probable that a respective tax benefit will be realised.

(KZT thousand)

18. Advances received

As at 31 December 2024, advance received of KZT 5.131.334 thousand (31 December 2023: KZT 5.013.679 thousand) comprised prepayments from clients for property held for leasing out under a finance lease, that was acquired under finance lease agreements but not yet transferred to lessees, as well as prepayments made under finance lease agreements.

19. Other assets and liabilities

As at 31 December 2024 and 2023, other assets comprised:

	31 December 2024	*31 December 2023*
Other financial assets		
Receivables for reimbursement of lost leasing items	**72.936**	61.139
Other receivables	**827.532**	825.990
	900.468	887.129
Allowance for ECL	**(844.792)**	(823.894)
Total other financial assets	**55.676**	63.235
Other assets		
Other current assets (VAT receivable on lease payments)	**1.450.917**	1.321.015
Deferred expenses	**232.763**	171.313
Settlements with employees	**504**	731
	1.684.184	1.493.059
Provision *(Note 22)*	**(455.693)**	(349.015)
Total other assets	**1.228.491**	1.144.044

As at 31 December 2024 and 2023, other liabilities comprised:

	31 December 2024	*31 December 2023*
Other financial liabilities		
Investment subsidies to customers	**1.888.444**	–
Deferred interest income	**1.607.057**	1.521.644
Subsidies payable to customers	**550.114**	179.780
Allowance for ECL for credit related commitments *(Note 20)*	**124.770**	124.950
Other financial liabilities	**4.170.385**	1.826.374
Other non-financial liabilities		
Personnel expenses accrued	**526.429**	484.131
Mandatory payments to the budget payable and payables to employees	**52.072**	41.690
Taxes other than corporate income tax, payable	**44.932**	38.862
Other current liabilities	**55.694**	56.632
Other non-financial liabilities	**679.127**	621.315
Other liabilities	**4.849.512**	2.447.689

20. Equity

During 2023, the Company's share capital was increased through the issue of ordinary shares, with par value of KZT 20.000.000 thousand.

As at 31 December 2024 and 2023, the authorised and paid share capital comprised 102.837.204 ordinary shares at the offering price of KZT 1.000 per share. The owner of an ordinary share has the right to one vote and an equal right for dividends. Distributable income is determined based on income recorded in the Company's financial statements.

In accordance with the decision of the Shareholder of 24 May 2024, the Company declared dividends for 2023 of KZT 13.249.722 thousand or KZT 128.84 per an ordinary share. During the reporting period, the dividends were fully paid. In accordance with the decision of the Shareholder of 30 May 2023, the Company declared dividends for 2022 in the amount of KZT 10.309.687 thousand or KZT 124,46 per an ordinary share. As at 31 December 2023, the dividends were paid in full.

Under the Company's policy, reserve capital is formed to cover general risks, including deferred losses and other contingent risks and liabilities. The reserve capital is subject to distribution based on the Shareholder's decision made at the general meeting of shareholders. During the twelve months of 2024 and 2023, reserve capital remained unchanged.

(KZT thousand)

20. Equity, continued

As at 31 December 2024 and 2023, the reserve capital amounted to KZT 1.436.184 thousand.

As of 31 December 2024, the book value per ordinary share calculated as per the Kazakhstan Stock Exchange methodology is KZT 1.869,98 (2023: KZT 1.800,48). The book value per ordinary share as at 31 December 2024 and 31 December 2023 was calculated as follows:

	31 December 2024	*31 December 2023*
Assets	**644.247.205**	523.303.451
Intangible assets	**(360.931)**	(412.854)
Liabilities	**(451.583.071)**	(337.734.551)
Net assets	**192.303.203**	185.156.046
The number of ordinary shares at the calculations date	**102.837.204**	102.837.204
The book value per share in KZT	**1.869,98**	1.800,48

The following table shows the profit and number of shares used to calculate basic and diluted earnings per share:

	2024	*2023*
Net profit for the year	**20.344.956**	18.928.175
A weighted average number of ordinary shares for the year ended 31 December	**102.837.204**	91.165.971
Basic and diluted earnings per ordinary share (KZT)	**197,84**	207,62

As at 31 December 2024 and 2023, the Company has no financial instruments, which dilute earnings per share.

21. Commitments and contingencies

Litigation

In the ordinary course of business, the Company is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints, will not have a material adverse effect on the Company's operations and financial position.

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

Taxation

Kazakhstani commercial, and in particular, tax legislation contains regulations, interpretation of which could vary, and in certain cases, the legislation could be amended with indirect retrospective impact. Also, the Company's management's interpretation of the legislation may differ from that of tax authorities, and as a result, transactions carried out by the Company could be estimated by tax authorities in another way, and this could result in an additional charge of taxes, fines and penalties. The Company's management believes that all necessary tax accruals were fulfilled and, correspondingly, there were no allowances charged in the statements. Tax periods remain open for 5 (five) years.

Credit related commitments

As at 31 December 2024 and 2023, the Company's commitments and contingencies comprised:

	31 December 2024	*31 December 2023*
Credit related commitments		
Finance lease commitments	**6.190.406**	14.621.791
Credit related commitments before ECL allowance	**6.190.406**	14.621.791
ECL allowance	**(124.770)**	(124.950)
Total	**6.065.636**	14.496.841

The total outstanding amount of undrawn credit lines under the contracts does not necessarily represent future cash requirements, as these commitments may expire or terminate without being funded.

The analysis of movements in ECL allowance for finance lease commitments for the years ended 31 December 2024 and 2023 is as follows: As at 31 December 2024 and 31 December 2023, the Company recognised an ECL allowance for undrawn credit lines at an amount equal to 12-months ECL.

(KZT thousand)

21. Commitments and contingencies (continued)

	Undrawn credit lines	*Total*
ECL allowance at 1 January 2023	176.215	176.215
Changes in ECL for the year	(51.265)	(51.265)
At 31 December 2023	124.950	124.950
Changes in ECL for the year	(180)	(180)
At 31 December 2024	124.770	124.770

22. Credit loss expenses

The table below presents the ECL expense on financial instruments recognised in profit or loss for the year ended 31 December 2024 and 31 December 2023:

	Note	*2024*	*2023*
Loans to customers	8	**438.142**	(2.555.380)
Cash and cash equivalents		**(738)**	2.050
Amounts due from credit institutions		**(22)**	3
Credit related commitments	21	**180**	51.265
Finance lease receivables	9	**(23.023.052)**	(9.474.288)
Other financial assets		**(155.612)**	(99.423)
Total		**(22.741.102)**	(12.075.773)

The movement in the impairment allowance and other provisions was as follows:

	Inventories	*Advance paid*	*Other assets*	*Total*
At 1 January 2023	(672.706)	(11.283)	(385.467)	(1.069.456)
Charge for the year	(524.764)	–	35.824	(488.940)
Write-off of assets	769.915	–	628	770.543
At 31 December 2023	(427.555)	(11.283)	(349.015)	(787.853)
Charge for the year	**(47.039)**	–	**(106.678)**	**(153.717)**
Write-off of assets	**77.594**	–	**–**	**77.594**
At 31 December 2024	**(397.000)**	**(11.283)**	**(455.693)**	**(863.976)**

Impairment allowance for assets is deducted from the value of respective assets.

23. Other income

Other income comprises:

	2024	*2023*
Income from reimbursement of expenses	**207.597**	8.350
Fines and penalties received	**91.880**	96.418
Income from reversal of provisions for inventories	–	31.660
Other	**166.905**	322.553
Other income	**466.382**	458.981

Fines and penalties were received by the Company from suppliers for untimely delivery of equipment held for a finance lease.

(KZT thousand)

24. Personnel and other operating expenses

Personnel and other operating expenses comprise:

	2024	*2023*
Personnel expenses	**(4.038.049)**	(3.603.667)
Social security expenses	**(460.404)**	(361.009)
Personnel expenses	**(4.498.453)**	(3.964.676)
Repair and maintenance of PPE and IA	**(472.548)**	(394.815)
Outsourcing costs	**(183.337)**	(160.728)
Operating lease expense	**(173.940)**	(153.724)
Depreciation of property, plant and equipment	**(110.478)**	(150.336)
Consulting services/professional services	**(137.018)**	(93.351)
Amortisation of software and other intangible assets	**(121.196)**	(126.458)
Other taxes other than corporate income tax	**(81.959)**	(88.890)
Business travel expenses	**(78.667)**	(82.093)
Transportation services	**(72.758)**	(36.857)
Information services	**(49.201)**	(25.810)
Communication services	**(42.104)**	(39.313)
Materials	**(41.354)**	(46.602)
Marketing and advertising services	**(35.677)**	(48.813)
Employee training programmes	**(22.600)**	(15.883)
Costs of assigning/watching/maintaining ratings services	**(17.638)**	(15.174)
Stationary and printing services	**(17.304)**	(20.969)
Insurance	**(10.515)**	(4.445)
Charity and sponsorship	**(9.912)**	(2.205)
The Board of Directors administrative expenses	**(9.400)**	(9.176)
Other	**(220.772)**	(187.730)
Other operating expenses	**(1.908.378)**	(1.703.372)

The service fee for the audit of the Company's financial statements prepared in accordance with IFRS Accounting Standards as at and for the year ended 31 December 2024 amounted to KZT 103.540 thousand, excluding VAT (31 December 2023: KZT 74.800 thousand). This amount also includes the service fee for translation, formatting and proofreading of financial statements.

25. Risk management

Introduction

Risk is inherent in the Company's activities. The Company manages these risks through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk, the latter being subdivided into trading and non-trading risks. The Company is also exposed to operating risks.

The independent risk control process does not include business risks such as changes in the economic environment, technology and industry. They are monitored through the Company's strategic planning process.

Risk management structure

The Board of Directors is ultimately responsible for identifying and controlling risks; however, there are separate independent bodies responsible for managing and monitoring risks.

The Board of Directors

The Board of Directors is responsible for the overall risk management approach and for approving the risk strategies and principles.

The Management Board

The Management Board has the responsibility to monitor the overall risk process within the Company.

Risk Management

The risk management unit is responsible for implementing and maintaining risk related procedures to ensure an independent control process.

(KZT thousand)

25. Risk management, continued

Introduction (continued)

Risk Control

The risk control unit is responsible for monitoring compliance with risk principles, policies and limits, across the Company. The Company's structure comprises a separate unit that is directly subordinate to the Board of Directors and which is responsible for the independent control of risks, including monitoring the risk of exposures against limits and the assessment of risks of new products and structured transactions. This department also ensures the complete capture of the risks in risk measurement and reporting systems. There are risk managers for risk controlling in the branches of the Company.

Treasury

The Company Treasury is responsible for managing the Company's assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

Internal Audit

The objective of an internal audit is to provide the Board of Directors with an independent, objective and unbiased information based on annual audits, both of adequacy of procedures and compliance with these procedures by the Company. Internal Audit discusses the results of all assessments with management and reports its findings and recommendations directly to the Board of Directors.

Risk measurement and reporting systems

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on statistical models. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment. The Company also runs worst-case scenarios that would arise if extreme events which are unlikely to occur do occur.

Monitoring and controlling risks is primarily performed based on limits established by the Company. These limits reflect the business strategy and market environment of the Company as well as the level of risk that the Company is willing to accept, with additional emphasis on selected industries. Also, the Company monitors and measures the overall risk-bearing capacity about the aggregate risk exposure across all risks types and activities.

Information compiled from all the businesses is examined and processed to analyse, control and early identify risks. This information is presented to the Board of Directors, the Management Board, Credit Committee and the heads of departments. The report includes aggregate credit exposure, credit metric forecasts, hold limit exceptions, VaR, liquidity ratios, interest risk ratios and risk profile changes.

For all levels throughout the Company, specifically tailored risk reports are prepared and distributed to ensure that all business divisions have access to extensive, necessary and up-to-date information.

The Company's Management Board and other relevant employees' meetings are regularly held to discuss maintenance of established limits and analyse value allowing for risk, investments, liquidity, and risk developments.

Risk mitigation

As part of its overall risk management, the Company uses derivatives and other instruments to manage exposures resulting from changes in interest rates, foreign currencies exchange rates, and share prices, credit risk and exposures arising from forecast transactions.

The Company actively uses collateral to reduce its credit risks.

Credit risk

Credit risk is the risk that the Company will incur a loss because its customers, clients or counterparties failed to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and geographical and industry concentrations, and by monitoring exposures for such limits.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. Credit risk is reviewed on an ongoing basis. The credit quality review process allows the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

(KZT thousand)

25. Risk management, continued

Introduction, continued

Credit risk, continued

The maximum exposure to credit risk is generally reflected in the carrying amounts of financial assets in the statement of financial position. The maximum exposure to credit risk from financial assets at the reporting date is as follows:

	31 December 2024	*31 December 2023*
Assets		
Cash and cash equivalents	**53.631.090**	43.800.988
Amounts due from credit institutions	**2.433.970**	–
Loans to customers	**7.556.690**	8.110.763
Finance lease receivables	**550.252.407**	448.423.563
Coupon rate on debt securities issued prepaid	**9.938.789**	–
Other financial assets	**55.676**	63.235
Total maximum credit risk exposure	**623.868.622**	500.398.549

Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded in the statement of financial position.

Credit-related commitments risks

The Company makes available to its customers the guarantees which may require that the Company make payments on their behalf. Such payments are collected from customers based on the terms of the letter of credit. They expose the Company to similar risks to loans and these are mitigated by the same control processes and policies.

The maximum exposure to credit risk from unrecognised contractual commitments at the reporting date is presented in *Note 20*.

Impairment assessment

The Company calculates ECL based on several probability-weighted scenarios to measure the expected cash shortfalls, discounted at, and at an approximation to, the EIR. A cash shortfall is a difference between the cash flows that are due to an entity following the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculation are outlined below and the key elements are as follows:

Probability of default (PD)	The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period if the facility has not been previously derecognised and is still in the portfolio.
Exposure at Default (EAD)	The exposure at default 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, whether scheduled by contract or otherwise, expected drawdowns on committed facilities and accrued interest from missed payments.
Loss Given Default (LGD)	The Loss Given Default is an estimate of the loss arising in the case where default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The allowance for ECL is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 monthss' expected credit loss (12mECL). The 12mECL is the portion of LTECL that represents the ECLs that result from default events on a financial instrument that are possible within the 12 monthss after the reporting date. Both LTECL and 12mECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The allowance for ECL is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 monthss' expected credit loss (12mECL). The 12mECL is the portion of LTECL that represents the ECLs that result from default events on a financial instrument that are possible within the 12 monthss after the reporting date. Both LTECL and 12mECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

(KZT thousand)

25. Risk management, continued

Credit risk, continued

Impairment assessment (continued)

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of a default occurring over the remaining life of the financial instrument. Based on the above process, the Company groups its financial assets as described below:

Stage 1:	When assets are first recognised, the Company recognises an allowance based on 12mECL. Stage 1 also includes loans, finance lease receivables and other credit lines, where the credit risk has improved and the loan has been reclassified from Stage 2.
Stage 2:	When an asset has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECL. Stage 2 also include loans, finance lease receivables and other credit lines, where the credit risk has improved and the loan has been reclassified from Stage 3.
Stage 3:	Assets considered credit-impaired. The Company recognises an allowance for the LTECL.
POCI:	Purchased or originated credit-impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest revenue is subsequently recognised based on a credit-adjusted EIR. ECL is only recognised or released to the extent that there is a subsequent change in the lifetime expected credit losses.

In estimating the ECL, the Company considers three scenarios: basic, optimistic, and pessimistic. Each of them has its PD, EAD and LGD indicators. In its ECL models, the Company relies on a broad range of forward-looking information as economic inputs. Impairment losses and consideration are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value. At year end, the Company has revised the allowance calculation methodology, as to changing the portfolio segmentation and developing transition matrices based on the number of contracts.

Definition of default and cure

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. The Company considers treasury and interbank transactions defaulted and takes immediate action when the required intraday payments are not settled by the close of business as outlined in the individual agreements. The expected credit loss on securities, deposits, current account funds is calculated based on external credit ratings assigned by international rating agencies - Fitch Ratings, Moody's Investors Service, S&P GlobalRatings. In determining the allowance as at 31 December 2024, management makes the following key assumptions:

- PDs for treasury assets classified as Stage 1 instruments were 0.1%-0.97%, depending on the counterparty's rating.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- Availability of the Company's information on force majeure, as well as other circumstances that caused substantial material damage to the borrower (co-borrower) and do not allow the borrower to continue its business activities, including the information on revocation/suspension of a licence for activities, as well as the information on the borrower's (co-borrowers) unemployment or absence of commercial activities.
- Objectively supportable information about the high probability of bankruptcy or reorganisation, as well as the involvement of the borrower (co-borrower) in legal proceedings, which may worsen its financial condition. The Company considers the following events as this information:
    - Availability of information about the death of the borrower-individual (co-borrower individual);
    - Cross-default for more than 60 calendar days inclusive (if the information is available);
    - Downgrading the external credit rating of the counterparty to "CC" and lower assigned by Standard & Poor's, Moody's Investors Service and Fitch rating agencies;
    - Absence of an active market for that financial asset because of financial difficulties.

Treasury and interbank relationships

The treasury and interbank relationships and counterparties comprise financial services institutions, banks, broker-dealers. For these relationships, the Company's Finance Department and Risk Management Department analyse publicly available information such as financial statements and other external data, e.g., the external ratings.

(KZT thousand)

25. Risk management (continued)

Credit risk (continued)

Loss given default (LGD)

The credit risk assessment is based on a standardised LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held. The Company segments its lending products into homogeneous portfolios, based on key characteristics of credit risk that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g., collateral types) as well as borrower characteristics.

Where appropriate, further recent data and forward-looking economic scenarios are used in order to determine the IFRS 9 LGD rate for each group of financial instruments. When assessing forward-looking information, the expectation is based on multiple scenarios. Examples of key inputs involve changes in collateral values and payment status.

LGD rates are estimated for the Stage 1, Stage 2, Stage 3 and POCI segment of each asset class. Baseline data for such LGD levels are evaluated and, where possible, adjusted through testing based on historical data, taking into account recent recoveries. If necessary, such data is determined for each economic scenario.

Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. To determine whether an instrument or a portfolio of instruments is subject to 12-months ECL or lifetime ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company believes that the credit risk on a financial instrument has increased significantly since its initial recognition if the following indicators of a significant increase in credit risk were identified:

- Delay of 30 (thirty) calendar days or more;
- The Company has information about the outstanding principal and/or interest of the borrower (co-borrower) from 31 to 60 and 90 calendar days including for loans issued and finance lease receivables, respectively, in other credit institutions (if the Company has information);
- Assets from the moment of restructuring and/or prolongation of which more than 12 monthss have passed, but less than 24 months inclusively, for which there is no delay or a delay of no more than 60 and 90 days as at the reporting date for loans issued and finance lease receivables, respectively;
- Assets from the moment of restructuring and/or prolongation of which more than 24 months have passed, and for which there is a delay of more than 30 days, but less than 60 and 90 days as at the reporting date for loans issued and finance lease receivables, respectively;
- Actual or expected (based on reasonable and supportable information) downgrading the external credit rating of the borrower;
- A significant change in the quality of the guarantee provided by second-tier banks, namely a change in the second-tier banks' rating (downgrade by two notches or more), resulting in a significant increase in credit risk, under the approach used for treasury assets (if a guarantee is available);
- Deterioration of financial condition.

The Company also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer/asset to the watch list, or the account becoming restructured due to a credit event. In certain cases, the Company may also consider that events explained in "Definition of default" section above are a significant increase in credit risk as opposed to a default. Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

For cash and cash equivalents and amounts due from credit institutions, the Company considers credit risk of a particular exposure is deemed to have increased significantly since initial recognition, if the issuer's credit rating decreased by 2 points or more since initial recognition.

Forward-looking information and multiple economic scenarios

In its ECL models, the Company relies on a broad range of forward looking information as economic inputs, such as:

- producer price index of agricultural products;
- grain prices;
- volume index of gross livestock production;
- exchange rate between tenge and US dollar;
- volume index of gross crop production.

(KZT thousand)

25. Risk management, continued

Credit risk, continued

Forward-looking information and multiple economic scenarios, continued

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

The Company obtains the forward-looking information from third party sources (external rating agencies, governmental bodies e.g., international financial institutions). The Company determines the weights attributable to the multiple scenarios.

Liquidity risk and funding management

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management has arranged diversified funding sources. Management manages assets with liquidity in mind, and monitors future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure additional funding if required.

Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Company's payments that comprise of the principle and interest/coupon on financial liabilities at 31 December based on contractual undiscounted repayment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many creditors will not request repayment on the earliest date the Company could be required to pay.

31 December 2024	*Less than 3 months*	*From 3 to 12 monthss*	*From 1 to 5 years*	*More than 5 years*	*Total*
Amounts due to the Shareholder	**1.180.086**	**4.873.101**	**8.935.140**	**1.954.459**	**16.942.786**
Amounts due to NMH Baiterek JSC	**255.000**	**255.000**	**2.040.000**	**55.253.000**	**57.803.000**
Amounts due to credit institutions	**195.689**	**6.869.266**	**700.000**	**51.466.932**	**59.231.887**
Debt securities issued	**18.361.250**	**54.494.722**	**337.153.750**	**186.100.000**	**596.109.722**
Total undiscounted financial liabilities	**19.992.025**	**66.492.089**	**348.828.890**	**294.774.391**	**730.087.395**

31 December 2023	*Less than 3 months*	*From 3 to 12 monthss*	*From 1 to 5 years*	*More than 5 years*	*Total*
Amounts due to the Shareholder	1.259.923	5.195.239	13.345.022	3.597.764	23.397.948
Amounts due to NMH Baiterek JSC	255.000	255.000	2.040.000	55.763.000	58.313.000
Amounts due to credit institutions	11.133.582	11.807.012	7.590.097	52.166.789	82.697.480
Debt securities issued	8.517.500	63.738.002	145.918.472	119.750.000	337.923.974
Total undiscounted financial liabilities	21.166.005	80.995.253	168.893.591	231.277.553	502.332.402

The table below shows the contractual expiry by maturity of the Company's contractual commitments and contingencies. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

	Less than 3 months	*From 3 to 12 monthss*	*From 1 to 5 years*	*More than 5 years*	*Total*
2024	**6.190.406**	–	–	–	**6.190.406**
2023	14.621.791	–	–	–	14.621.791

The Company expects that not all of the contingent liabilities or commitments will be drawn before the expiry of the commitments.

Liquidity risk and funding management, continued

The Company's capability to meet its liabilities depends upon its ability to realise an equivalent amount of assets within the certain period of time.

The Company has received significant funds from the Shareholder and NMH Baiterek JSC. Management believes that this level of funding will remain with the Company for the foreseeable future and that in the event of withdrawal of funds, the Company would be given sufficient notice so as to realise its liquid assets to enable repayment.

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchanges, and equity prices. The market risk for the trading portfolio is monitored using sensitivity analysis. Except for the concentrations within a foreign currency, the Company has no significant concentration of market risk.

(KZT thousand)

25. Risk management, continued

Market risk, continued

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The interest rate for assets and liabilities of the Company is fixed.

Interest rate risk arises when the actual or forecasted assets of a given maturity period are either greater or less than the actual or forecasted liabilities in that maturity period.

Interest rate gap analysis

Interest rate risk is managed principally through monitoring interest rate gaps. A summary of the interest gap position for major financial instruments is as follows:

	31 December 2024						
	Demand and less than 3 months	*3-6 months*	*6-12 monthss*	*1-5 years*	*More than 5 years*	*Non-interest bearing*	*Total*
Assets							
Cash and cash equivalents	53.630.207	–	–	–	–	883	53.631.090
Amounts due to credit institutions	–	–	2.433.970	–	–	–	2.433.970
Loans to customers	3.254.165	85.219	2.545.141	1.479.714	192.451	–	7.556.690
Finance lease receivables	54.378.536	16.255.046	60.526.151	290.685.851	128.406.823	–	550.252.407
Prepaid coupon interest on debt securities issued	–	–	–	–	–	9.938.789	9.938.789
Other financial assets	–	–	–	–	–	55.676	55.676
Total financial assets	111.262.908	16.340.265	65.505.262	292.165.565	128.599.274	9.995.348	623.868.622
Liabilities							
Amounts due to the Shareholder	1.073.982	991.906	3.011.455	6.443.663	1.428.390	–	12.949.396
Amounts due to NMH Baiterek JSC	198.333	–	–	–	13.169.262	–	13.367.595
Amounts due to credit institutions	76.138	6.471.914	52.118	–	9.583.707	–	16.183.877
Debt securities issued	8.705.671	25.566.002	–	163.914.279	144.985.358	–	343.171.310
Payables to suppliers	–	–	–	–	–	1.127.246	1.127.246
Other financial liabilities	–	–	–	–	–	4.170.385	4.170.385
Total financial liabilities	10.054.124	33.029.822	3.063.573	170.357.942	169.166.717	5.297.631	390.969.809
Net position	101.208.784	(16.689.557)	62.441.689	121.807.623	(40.567.443)	4.697.717	232.898.813

(KZT thousand)

25. Risk management, continued

Market risk, continued

Interest rate gap analysis, continued

	31 December 2023						
	Demand and less than 3 months	*3-6 months*	*6-12 monthss*	*1-5 years*	*More than 5 years*	*Non-interest bearing*	*Total*
Assets							
Cash and cash equivalents	38.801.050	–	–	–	–	4.999.938	43.800.988
Loans to customers	4.921.515	222.836	1.622.964	1.276.288	67.160	–	8.110.763
Finance lease receivables	47.458.492	13.859.353	38.766.329	232.571.002	115.768.387	–	448.423.563
Other financial assets	–	–	–	–	–	63.235	63.235
Total financial assets	91.181.057	14.082.189	40.389.293	233.847.290	115.835.547	5.063.173	500.398.549
Liabilities							
Amounts due to the Shareholder	1.132.847	984.469	2.984.060	9.922.291	2.617.085	–	17.640.752
Amounts due to NMH Baiterek JSC	198.333	–	–	–	12.225.198	–	12.423.531
Amounts due to credit institutions	10.645.415	3.577.351	6.920.058	6.455.964	6.481.935	–	34.080.723
Debt securities issued	7.054.108	5.315.302	39.517.473	64.414.471	93.966.934	–	210.268.288
Payables to suppliers	–	–	–	–	–	5.209.262	5.209.262
Other financial liabilities	–	–	–	–	–	1.826.374	1.826.374
Total financial liabilities	19.030.703	9.877.122	49.421.591	80.792.726	115.291.152	7.035.636	281.448.930
Net position	72.150.354	4.205.067	(9.032.298)	153.054.564	544.395	(1.972.463)	218.949.619

The table below displays the Company's interest-bearing assets and liabilities as at 31 December 2024 and 2023 and their corresponding average effective interest rates as at that date. These interest rates are an approximation of the yields to maturity of these assets and liabilities.

	31 December 2024		*31 December 2023*	
	Carrying amount '000 KZT	**Average effective interest rate**	**Carrying amount '000 KZT**	**Average effective interest rate**
Interest-bearing assets				
Cash and cash equivalents				
- in tenge	**53.102.771**	**13,86%**	35.293.342	16,04%
- in US dollars	**527.436**	**2,75%**	3.507.708	1,26%
Amounts due from credit institutions				
- in US dollars	**2.433.970**	**2,52%**	–	–
Loans to customers				
- in tenge	**7.556.690**	**11,83%**	8.110.763	11,78%
Finance lease receivables				
- in tenge	**550.252.407**	**15,78%**	448.423.563	15,50%
Interest-bearing liabilities				
Amounts due to the Shareholder				
- in tenge	**12.949.396**	**11,79%**	17.640.752	11,29%
Amounts due to NMH Baiterek JSC				
- in tenge	**13.367.595**	**11,98%**	12.423.531	11,98%
Amounts due to credit institutions				
- in tenge	**16.183.877**	**13,95%**	34.080.723	15,29%
Debt securities issued				
- in tenge	**343.171.310**	**15,09%**	210.268.288	14,27%

(KZT thousand)

25. Risk management, continued

Market risk, continued

Cash flow interest rate sensitivity analysis

An analysis of the sensitivity of the Company's net income for the year and equity to changes in the market interest rate based on a simplified scenario of a 100 basis point (bp) symmetrical fall or rise in all yield curves and positions of interest-bearing assets and liabilities existing as at 31 December 2024 and 31 December 2023 is as follows:

	2024		*2023*	
	Profit	**Equity**	**Profit**	**Equity**
100 bp parallel rise	**(1.114.733)**	**(1.114.733)**	(425.238)	(425.238)
100 bp parallel fall	**1.114.733**	**1.114.733**	425.238	425.238

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Management Board has set limits on positions by currency based on the NBRK recommendations. Positions are monitored daily.

The following table shows the foreign currency exposure structure of financial assets and liabilities as at 31 December 2024:

	31 December 2024			
	Tenge	*US dollar*	*Euro*	*Total*
Assets				
Cash and cash equivalents	53.103.654	527.436	–	53.631.090
Amounts due from credit institutions	–	2.433.970	–	2.433.970
Loans to customers	7.556.690	–	–	7.556.690
Finance lease receivables	550.252.407	–	–	550.252.407
Prepaid coupon interest on debt securities issued	9.938.789	–	–	9.938.789
Other financial assets	33.835	6.720	15.121	55.676
Total assets	620.885.375	2.968.126	15.121	623.868.622
Liabilities				
Amounts due to the Shareholder	12.949.396	–	–	12.949.396
Amounts due to NMH Baiterek JSC	13.367.595	–	–	13.367.595
Amounts due to credit institutions	16.183.877	–	–	16.183.877
Debt securities issued	343.171.310	–	–	343.171.310
Payables to suppliers	803.814	166.556	156.876	1.127.246
Other financial liabilities	4.170.385	–	–	4.170.385
Total liabilities	390.646.377	166.556	156.876	390.969.809
Net position	230.238.998	2.801.570	(141.755)	232.898.813

(KZT thousand)

25. Risk management, continued

Currency risk, continued

	31 December 2023			
	Tenge	*US dollar*	*Euro*	*Total*
Assets				
Cash and cash equivalents	40.293.280	3.507.708	–	43.800.988
Loans to customers	8.110.763	–	–	8.110.763
Finance lease receivables	448.423.563	–	–	448.423.563
Other financial assets	58.742	2.202	2.291	63.235
Total assets	496.886.348	3.509.910	2.291	500.398.549
Liabilities				
Amounts due to the Shareholder	17.640.752	–	–	17.640.752
Amounts due to NMH Baiterek JSC	12.423.531	–	–	12.423.531
Amounts due to credit institutions	34.080.723	–	–	34.080.723
Debt securities issued	210.268.288	–	–	210.268.288
Payables to suppliers	2.378.642	1.651.742	1.178.878	5.209.262
Other financial liabilities	1.826.374	–	–	1.826.374
Total liabilities	278.618.310	1.651.742	1.178.878	281.448.930
Net position	218.268.038	1.858.168	(1.176.587)	218.949.619

The tables below indicate the currencies to which the Company had significant exposure on 31 December on its non-trading monetary assets and liabilities and its forecast cash flows. The analysis calculates the currency rate against tenge, with all other variables held constant on the statement of profit or loss and other comprehensive income (due to the fair value of currency sensitive trading monetary assets and liabilities). The effect on equity does not differ from the effect on the statement of profit or loss and other comprehensive income. All other parameters are held as constant. The negative amount in the table reflects a potential net reduction in the statement of profit or loss and other comprehensive income or equity, while a positive amount reflects a net potential increase.

Currency	*Exchange rate change, % 2024*	*Effect on pre-tax profit 2024*	*Exchange rate change, % 2023*	*Effect on pre-tax profit 2023*
US dollar	**-10%**	**(224.126)**	-10%	(148.653)
US dollar	**10%**	**224.126**	10%	148.653
Euro	**-20%**	**22.681**	-20%	188.254
Euro	**20%**	**(22.681)**	20%	(188.254)

Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but a control framework and monitoring and responding to potential risks could be effective tools to manage the risks. Controls should include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit.

26. Fair value measurement

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(KZT thousand)

26. Fair value measurement, continued

The following table provides an analysis of financial instruments recorded by the level of the fair value hierarchy as of 31 December 2024:

31 December 2024	*Fair value measurement using* Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	*Total*
Assets with a disclosed fair value				
Cash and cash equivalents	–	53.631.090	–	53.631.090
Amounts due from credit institutions	–	2.433.970	–	2.433.970
Loans to customers	–	384.101	3.425.866	3.809.967
Finance lease receivables	–	378.664.318	95.265.418	473.929.736
Prepaid coupon interest on debt securities issued	–	9.938.789	–	9.938.789
Other financial assets	–	55.676	–	55.676
Total financial assets with a disclosed fair value	–	445.107.944	98.691.284	543.799.228
Financial liabilities with a disclosed fair value				
Amounts due to the Shareholder	–	12.845.525	–	12.845.525
Amounts due to NMH Baiterek JSC	–	11.941.548	–	11.941.548
Amounts due to credit institutions	–	17.737.426	–	17.737.426
Debt securities issued	–	360.724.426	–	360.724.426
Accounts payable	–	1.127.246	–	1.127.246
Other financial liabilities	–	4.170.385	–	4.170.385
Total financial liabilities with a disclosed fair value	–	408.546.556	–	408.546.556

The following table provides an analysis of financial instruments recorded by the level of the fair value hierarchy as of 31 December 2023:

31 December 2023	*Fair value measurement using* Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	*Total*
Assets with a disclosed fair value				
Cash and cash equivalents	–	43.800.988	–	43.800.988
Loans to customers	–	729.632	4.506.681	5.236.313
Finance lease receivables	–	357.177.179	51.391.458	408.568.637
Other financial assets	–	63.235	–	63.235
Total financial assets with a disclosed fair value	–	401.771.034	55.898.139	457.669.173
Financial liabilities with a disclosed fair value				
Amounts due to the Shareholder	–	16.834.026	–	16.834.026
Amounts due to NMH Baiterek JSC	–	10.111.675	–	10.111.675
Amounts due to credit institutions	–	34.030.860	–	34.030.860
Debt securities issued	–	203.587.505	–	203.587.505
Payables to suppliers	–	5.209.262	–	5.209.262
Other financial liabilities	–	1.826.374	–	1.826.374
Total financial liabilities with a disclosed fair value	–	271.599.702	–	271.599.702

Set out below is a comparison by a class of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the statement of financial position. The table does not include the fair values of non-financial assets and non-financial liabilities.

(KZT thousand)

26. Fair value measurement, continued

	31 December 2024		31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	53.631.090	53.631.090	43.800.988	43.800.988
Amounts due to credit institutions	2.433.970	2.433.970		
Loans to customers	7.556.690	3.809.967	8.110.763	5.236.313
Finance lease receivables	550.252.407	473.929.736	448.423.563	408.568.637
Prepaid coupon interest on debt securities	9.938.789	9.938.789	–	–
Other financial assets	55.676	55.676	63.235	63.235
	623.868.622	543.799.228	500.398.549	457.669.173
Financial liabilities				
Amounts due to the Shareholder	12.949.396	12.845.525	17.640.752	16.834.026
Amounts due to NMH Baiterek JSC	13.367.595	11.941.548	12.423.531	10.111.675
Amounts due to credit institutions	16.183.877	17.737.426	34.080.723	34.030.860
Debt securities issued	343.171.310	360.724.426	210.268.288	203.587.505
Payables to suppliers	1.127.246	1.127.246	5.209.262	5.209.262
Other financial liabilities	4.170.385	4.170.385	1.826.374	1.826.374
	390.969.809	408.546.556	281.448.930	271.599.702

Valuation techniques and assumptions

The following describes the methodologies and assumptions used to determine fair values for assets and liabilities recorded at fair value in the financial statements and those items that are not measured at fair value in the statement of financial position, but whose fair value is disclosed.

Assets for which fair value approximates carrying amount

For financial assets and financial liabilities that are liquid or having a short-term maturity (less than three months) it is assumed that the carrying amounts approximate their fair value. This assumption is also applied to demand deposits and savings accounts without a specific maturity.

Fixed and variable rate financial instruments

The fair values of unquoted financial instruments are estimated by discounting future cash flows using rates currently available for financial instruments on similar terms, credit risk and remaining maturities.

For assets whose fair value is disclosed in the condensed financial statements, future cash flows are discounted using the average market rate of financial instruments with similar maturities based on statistics published by the NBRK. The indicated approach is used in determining the fair value of loans to clients and finance lease receivables. As at 31 December 2024, the average market rate was 22.26% (31 December 2023: 22.38%).

In the case of liabilities with fair values disclosed in the financial statements, future cash flows are discounted at the average market rate of financial instruments with similar maturities and credit rating. As at 31 December 2024, market rates used to measure fair value ranged from 12.77% to 13.08% per annum on tenge-denominated loans and debt securities issued (31 December 2023: from 11.91% to 15.67% per annum).

The future cash flows comprise repayment of principal and interest calculated at the interest rate stipulated by the agreement to the amount of principal.

27. Maturity analysis of assets and liabilities

The following table shows assets and liabilities by expected maturities. See Note 24 *Risk management* for the Company's contractual undiscounted repayment obligations.

(KZT thousand)

27. Maturity analysis of assets and liabilities, continued

	31 December 2024								
	On demand	**Less than 1 month**	**From 1 to 3 months**	**From 3 months to 1 year**	**From 1 to 5 years**	**More than 5 years**	**No maturity**	**Overdue**	**Total**
Assets									
Cash and cash equivalents	21.182.776	23.442.864	9.005.450	–	–	–	–	–	53.631.090
Amounts due from credit institutions	–	–	–	2.433.970	–	–	–	–	2.433.970
Loans to customers	–	6.386	318.279	2.630.360	1.479.714	192..451	–	2.929.500	7.556.690
Finance lease receivables	–	5.144.122	32.601.045	76.781.197	290.685.851	128.406.823	–	16.633.369	550.252.407
Inventories	–	–	–	–	–	–	2.984.702	–	2.984.702
Current corporate income tax assets	–	–	–	134.115	–	–	–	–	134.115
Property, plant and equipment	–	–	–	–	–	–	861.659	–	861.659
Intangible assets	–	–	–	–	–	–	360.931	–	360.931
VAT and other taxes recoverable	–	197.893	950.608	2.630.508	7.025.316	–	–	–	10.804.325
Advances paid	–	–	–	442	4.003.918	–	–	–	4.004.360
Prepaid coupon interest on debt securities issued	–	–	4.635.500	5.303.289	–	–	–	–	9.938.789
Other assets	–	–	–	233.266	–	–	–	1.050.901	1.284.167
Total assets	21.182.776	28.791.265	47.510.882	90.147.147	303.194.799	128.599.274	4.207.292	20.613.770	644.247.205
Liabilities									
Amounts due to the Shareholder	–	76.485	997.497	4.003.361	6.443.663	1.428.390	–	–	12.949.396
Amounts due to NMH Baiterek JSC	–	–	198.333	–	–	13.169.262	–	–	13.367.595
Amounts due to credit institutions	–	34.740	41.398	6.524.032	–	9.583.707	–	–	16.183.877
Debt securities issued	–	6.973.560	1.732.111	25.566.002	163.914.279	144.985.358	–	–	343.171.310
Payables to suppliers	–	–	749.742	377.504	–	–	–	–	1.127.246
Deferred corporate income tax liabilities	–	–	–	–	–	4.447.718	–	–	4.447.718
Advances received	–	–	–	5.131.334	–	–	–	–	5.131.334
Government grants	–	96.141	4.822.024	6.229.883	6.859.872	32.347.163	–	–	50.355.083
Other liabilities	–	1.177.324	176.788	3.495.400	–	–	–	–	4.849.512
Total liabilities	–	8.358.250	8.717.893	51.327.516	177.217.814	205.961.598	–	–	451.583.071
Net position as at 31 December 2024	21.182.776	20.433.015	38.792.989	38.819.631	125.976.985	(77.362.324)	4.207.292	20.613.770	192.664.134

(KZT thousand)

27. Maturity analysis of assets and liabilities, continued

	31 December 2023								
	On demand	Less than 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	More than 5 years	No maturity	Overdue	Total
Assets									
Cash and cash equivalents	43.800.988	–	–	–	–	–	–	–	43.800.988
Loans to customers	–	94	683.075	1.845.800	1.276.288	67.160	–	4.238.346	8.110.763
Finance lease receivables	–	4.192.056	28.811.281	52.625.682	232.571.002	115.768.387	–	14.455.155	448.423.563
Other financial assets	–	–	–	–	–	–	–	63.235	63.235
Inventories	–	–	–	–	–	–	3.042.877	–	3.042.877
Current corporate income tax assets	–	–	–	134.115	–	–	–	–	134.115
Property, plant and equipment	–	–	–	–	–	–	872.477	–	872.477
Intangible assets	–	–	–	–	–	–	412.854	–	412.854
VAT and other taxes recoverable	–	187.816	901.845	2.252.303	7.151.506	–	–	–	10.493.470
Advances paid	–	–	161.219	–	6.209.809	–	–	–	6.371.028
Investments in associates	–	–	–	–	–	–	434.037	–	434.037
Other assets	–	731	–	171.313	–	–	–	972.000	1.207.279
Total assets	43.800.988	4.380.697	30.557.420	57.029.213	247.208.605	115.835.547	4.762.245	19.728.736	523.303.451
Liabilities									
Amounts due to the Shareholder	–	114.354	1.018.493	3.968.529	9.922.291	2.617.085	–	–	17.640.752
Amounts due to NMH Baiterek JSC	–	–	198.333	–	–	12.225.198	–	–	12.423.531
Amounts due to credit institutions	–	68.340	10.577.075	10.497.409	6.455.964	6.481.935	–	–	34.080.723
Debt securities issued	–	5.321.997	1.732.111	44.832.775	64.414.471	93.966.934	–	–	210.268.288
Payables to suppliers	–	1.160.689	3.849.398	199.175	–	–	–	–	5.209.262
Deferred corporate income tax liabilities	–	–	–	–	–	7.132.562	–	–	7.132.562
Advances received	–	–	–	5.013.679	–	–	–	–	5.013.679
Government grants	–	58.941	116.457	569.032	4.181.675	38.591.960	–	–	43.518.065
Other liabilities	–	80.552	–	2.367.137	–	–	–	–	2.447.689
Total liabilities	–	6.804.873	17.491.867	67.447.736	84.974.401	161.015.674	–	–	337.734.551
Net position as at 31 December 2023	43.800.988	(2.424.176)	13.065.553	(10.418.523)	162.234.204	(45.180.127)	4.762.245	19.728.736	185.568.900

(KZT thousand)

28. Related party transactions

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

Related parties may enter into transactions which unrelated parties might not. Prices and terms of such transactions may differ from prices and terms of transactions between unrelated parties.

The Republic of Kazakhstan, acting through the State Property Committee within the Ministry of Finance, controls the Company and has a significant impact on its activities.

The Republic of Kazakhstan directly and indirectly controls and has significant influence over a significant number of entities through its government agencies and other organisations (together referred to as "government-related entities"). The Company executes bank transactions with these entities such as raising of loans and placement of cash.

The balances as at 31 December 2024 for transactions with related parties are as follows:

	Shareholder	*NMH Baiterek JSC group*	*Companies of NMH Baiterek JSC group*	*Transactions with state-owned entities*
ASSETS				
Cash and cash equivalents (nominal interest rates: 12%–15.1%)	–	–	–	**12.789.274**
Current corporate income tax assets	–	–	–	**134.115**
VAT and other taxes recoverable	–	–	–	**10.804.325**
Prepaid coupon interest on debt securities issued	–	**9.938.789**	–	–
LIABILITIES				
Amounts due to the Shareholder (nominal interest rates: 5%–13%)	**12.949.396**	–	–	–
Amounts due to NMH Baiterek JSC (nominal interest rate 1.02%)	–	**13.367.595**	–	–
Debt securities issued (nominal interest rates: 11.5%–19.25%)	–	**227.161.786**	**5.202.304**	**78.044.718**
Amounts due to credit institutions (nominal interest rate: 0.35%)	–	–	**9.635.824**	–
Government grants	–	–	–	**50.355.083**
Other liabilities (grants for customers)	–	–	–	**4.045.615**
Deferred corporate income tax liabilities	–	–	–	**4.447.718**

The balances as at 31 December 2023 for transactions with related parties are as follows:

	Associates	*Shareholder*	*NMH Baiterek JSC group*	*Companies of NMH Baiterek JSC group*	*Transactions with state-owned entities*
ASSETS					
Cash and cash equivalents (nominal interest rates: 1.5%–15%)	–	–	–	3.645.835	4.999.925
Current corporate income tax assets	–	–	–	–	134.115
VAT and other taxes recoverable	–	–	–	–	10.493.470
Investments in associates	434.037	–	–	–	–
LIABILITIES					
Amounts due to the Shareholder (nominal interest rates: 5%–13%)	–	17.640.752	–	–	–
Amounts due to NMH Baiterek JSC (nominal interest rate 1.02%)	–	–	12.423.531	–	–
Debt securities issued (nominal interest rates: 8.50%–19.25%)	–	–	62.745.135	65.527.374	48.846.094
Amounts due to credit institutions (nominal interest rate: 0.35%)	–	–	–	6.531.319	–
Government grants	–	–	–	–	43.518.065
Other liabilities (grants for customers)	–	–	–	–	1.701.424
Deferred corporate income tax liabilities	–	–	–	–	7.132.562

(KZT thousand)

28. Related party transactions, continued

The income and expense items with related parties for the year ended 31 December 2024 were as follows:

	Shareholder	*NMH Baiterek JSC group*	*Companies of NMH Baiterek JSC group*	*Transactions with state-owned entities*
Interest expense	**(1.763.806)**	**(24.032.775)**	**(1.800.099)**	**(13.601.533)**
Interest income	**–**	**–**	**503.531**	**5.097.482**
Income/(expenses) on credit losses	**–**	**–**	**217**	**(191)**
Net foreign exchange loss	**–**	**–**	**(29.201)**	**–**
Government grant income	**–**	**–**	**–**	**9.630.359**
Corporate income tax benefit	**–**	**–**	**–**	**1.723.252**

The income and expense items with related parties for the year ended 31 December 2023 were as follows:

	Shareholder	*NMH Baiterek JSC group*	*Companies of NMH Baiterek JSC group*	*Transactions with state owned entities*
Interest expense	(2.372.208)	(9.397.693)	(4.817.133)	(9.407.045)
Interest income	–	–	6.748	3.823.506
(Expenses)/income on credit losses	–	–	(217)	2.149
Net foreign exchange loss	–	–	(10.916)	–
Government grant income	–	–	–	354.661
Corporate income tax expense	–	–	–	(1.948)

Information about the terms and conditions of loans from the Shareholder, NMH Baiterek JSC and the company under common control is provided in *Notes 11, 12 and 13*, respectively. Included in transactions with state-owned entities are transactions of purchase by entities of NMH Baiterek JSC group of the Company's debt securities issued under reverse repurchase agreements. As Kazakhstan Stock Exchange JSC is a central counterparty in such transactions, the transactions and transaction balances are recognised in transactions with state-owned entities.

Remuneration to the key management personnel was as follows:

	2024	*2023*
Salaries and other short-term benefits	**194.024**	166.829
Remuneration of the Board of Directors	**7.598**	7.983
Social security taxes and costs	**21.165**	16.620
Total key management personnel remuneration	**227.787**	191.432

29. Changes in liabilities arising from financing activities

	Debt securities issued	*Amounts due to credit institutions*	*Amounts due to the Shareholder*	*Amounts due to NMH Baiterek JSC*	*Total liabilities arising from financing activities*
Carrying amount at 1 January 2023	206.717.109	30.638.480	22.062.088	11.584.240	271.001.917
Additions	30.278.337	30.000.000	–	–	60.278.337
Redemption	(28.952.250)	(10.479.201)	(4.802.194)	–	(44.233.645)
Non-cash transactions	493.599	(16.411.372)	384.528	839.291	(14.693.954)
Dividends declared	–	–	10.309.687	–	10.309.687
Dividends paid	–	–	(10.309.687)	–	(10.309.687)
Other	1.731.493	332.816	(3.670)	–	2.060.639
Carrying amount at 31 December 2023	210.268.288	34.080.723	17.640.752	12.423.531	274.413.294
Additions	**175.000.000**	**–**	**–**	**–**	**175.000.000**
Redemption	**(43.933.000)**	**(20.479.200)**	**(4.933.964)**	**–**	**(69.346.164)**
Non-cash transactions	**875.073**	**3.148.896**	**314.019**	**944.064**	**5.282.052**
Dividends declared	**–**	**–**	**13.249.722**	**–**	**13.249.722**
Dividends paid	**–**	**–**	**(13.249.722)**	**–**	**(13.249.722)**
Other	**960.949**	**(566.542)**	**(71.411)**	**–**	**322.996**
Carrying amount at 31 December 2024	**343.171.310**	**16.183.877**	**12.949.396**	**13.367.595**	**385.672.178**

(KZT thousand)

29. Changes in liabilities arising from financing activities, continued

Non-cash transactions include changes in the discount on debt securities issued, other borrowed funds and loans received from the Shareholder and NMH Baiterek JSC during the reporting period as well as offset of advances.

The "Other" item includes the effect of accrued but not yet paid interest on debt securities issued, other loans and borrowings from the Shareholder and NMH Baiterek JSC. The Company classifies the interest paid as cash flows from operating activities.

30. Capital adequacy

The Company maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Company's capital is monitored using, among other measures, the ratios established by the NBRK and 1988 Basel Agreement in supervising the Company.

As of 31 December 2024 and 2023, the Company complied in full with all its externally imposed capital requirements.

The primary objectives of the Company's capital management are to ensure that the Company complies with externally imposed capital requirements and that the Company maintains strong credit ratings and healthy capital ratios to support its business and to maximise shareholders' value.

The NBRK requires companies engaged in certain types of banking activities to maintain a minimum Tier 1 capital adequacy ratio of 6.0% of assets and Tier 2 capital adequacy ratio of 6.0% of assets and minimum general total capital adequacy ratio of 12.0% of risk-weighted assets. On 31 December, the Company's capital adequacy ratio on this basis was as follows:

	2024	*2023*
Tier 1 capital	**172.293.741**	166.600.027
Tier 2 capital	**20.344.956**	18.928.175
Total equity	**192.638.697**	185.528.202
Total assets	**644.247.205**	523.303.451
Risk-weighted assets and contingent and potential liabilities	**630.170.421**	526.454.152
Operational risk	**32.382.987**	25.288.297
Capital adequacy ratio (k1) — not less than 6.0%	**26.74%**	31.84%
Capital adequacy ratio (k1 -2) — not less than 6.0%	**27.34%**	31.65%
Capital adequacy ratio (k1 -3) — not less than 12.0%	**29.39%**	33.55%

Capital adequacy ratio under Basel Capital Accord 1988

As at 31 December, the Company's capital adequacy ratio calculated with requirements of the 1988 Basel Accord, inclusive of consequential amendments to incorporate market risks, was:

	2024	*2023*
Tier 1 capital	**172.293.741**	166.600.027
Tier 2 capital	**20.344.956**	18.928.175
Total equity	**192.638.697**	185.528.202
Risk-weighted assets	**627.386.317**	515.145.586
Tier 1 capital adequacy ratio	**27.46%**	32.34%
Total capital adequacy ratio	**26.74%**	31.84%

31. Segment reporting

The Company's operations are highly integrated and constitute a single business segment for the purposes of IFRS 8 *Segment Reporting*. The Company's assets are concentrated in the Republic of Kazakhstan, and the Company's revenues are derived from operations in, and connected with, the Republic of Kazakhstan. The chief operating decision maker, in the case of the Company, the Chairman of the Management Board, only receives and reviews the information on the Company as a whole.

32. Subsequent events

After the reporting date, the Company made the following coupon payments on debt securities issued:

- On 22 January 2025 - KZT 1.925.000 thousand on bonds KZ2C00009843 (KAFIb13);
- On 3 February 2025 - KZT 4.212.500 thousand on bonds KZ2C00008514 (KAFIb12);
- On 7 February 2025 - KZT 787.500 thousand on bonds KZ2C00010908 (KAFIpp5);
- On 7 February 2025 - KZT 1.181.250 thousand on bonds KZ2C00010841 (KAFIpp4);
- On 26 February 2025 - KZT 2.380.000 thousand on bonds KZ2C00007862 (KAFIb11).