SHINHAN BANK KAZAKHSTAN JSC

Financial Statements in accordance with IFRSs
for the year ended 31 December 2024

and Independent Auditors' Report

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SHINHAN BANK KAZAKHSTAN JSC

Management's Statement of Responsibility for the Preparation and Approval of the Financial Statements for the Year Ended 31 December 2024

The following statement, which must be considered together with the description of responsibilities of the auditors contained in the presented Independent Auditors' Report, is made for the purpose of division of responsibilities of the auditor and the management of the Bank regarding the financial statements of Shinhan Bank Kazakhstan JSC (hereinafter - the Bank).

The Bank's management shall be liable for preparation of the financial statements presenting fairly, in all material respects, the financial position of the Bank as of 31 December 2024, as well as its financial performance, cash flows and changes in the equity for the year then ended, in accordance with the International Financial Reporting Standards (IFRSs).

When preparing the financial statements, the management shall be liable for:

- Selecting appropriate accounting principles and applying them consistently;
- Applying reasonable estimates and calculations;
- Complying with the requirements of the IFRS or disclosure of all material deviations from the IFRS in the notes to the financial statements; and
- Preparing the financial statements assuming that the Bank will continue as a going concern in the foreseeable future except when such an assumption is unjustified.

The management is also responsible for:

- Designing, implementing and ensuring effective and reliable internal control in the Bank;
- Record keeping that allows providing sufficiently accurate information on the financial position of the Bank at any date and ensuring compliance of the financial statements with IFRSs;
- Record keeping according to the laws of the Republic of Kazakhstan;
- Taking all reasonably possible actions to safeguard the Bank's assets; and
- Detecting and preventing frauds and other abusive practices.

The financial statements for the year ended 31 December 2024 were approved by the management of Shinhan Bank Kazakhstan JSC on 28 March 2025.

On behalf of the management of the Bank:

Cho Yongeun
Chairman of the Management Board

G.Sh. Zhaksybayeva
Chief Accountant

28 March 2025
Almaty City, Republic of Kazakhstan

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Management Board of Shinhan Bank Kazakhstan JSC

Auditors' Report

Opinion

We have audited the accompanying financial statements of Shinhan Bank Kazakhstan JSC (hereinafter - the Bank), which comprise the statement of financial position as of 31 December 2024, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of 31 December 2024, as well as its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Bank in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants* (IESBA Code) and ethical requirements that are relevant to our audit of the financial statements in 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.

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

The management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for internal control, as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

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

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

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 based on these financial statements.

As a part of an audit in accordance with International Standards on Auditing, 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 the 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank'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 Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank 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.

The engagement partner on the audit resulting in this independent auditor's report is issued:

АУДИТОР
Біліктілік куәлігі

Auditor D.Sh. Kaliyeva

Auditor's Qualification Certificate №МФ-001394 dated 12.02.2021 issued by the Qualification Commission for certification of the auditors of the RK.

BDO Qazaqstan LLP
State license №25007259 issued on 5 March 2025 by the Committee for Internal State Audit of the Ministry of Finance of the Republic of Kazakhstan.

Director R.M. Rakhimbayev

BDO
QAZAQSTAN

28 March 2025
Almaty City

BDO QAZAQSTAN Для отчётов

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THER YEAR ENDED 31 DECEMBER 2024
(in thousands of Kazakhstan tenge)

	Notes	2024	2023
Interest income	4	107,926,842	62,270,849
Interest expenses	4	(63,740,704)	(38,039,864)
Net interest income		**44,186,138**	**24,230,985**
Commission income		184,705	167,934
Commission expenses		(177,826)	(195,376)
Net fee income		**6,879**	**(27,442)**
Net profit from foreign currency transactions	5	1,581,328	2,699,913
Other operating income, net		338,961	142,024
Operating income		**46,113,306**	**27,045,480**
Provisions for expected credit losses	7	(249,707)	(114,327)
Personnel expenses	6	(1,408,018)	(1,163,391)
Other general and administrative expenses	8	(991,040)	(565,997)
Profit before income tax		**43,464,541**	**25,201,765**
Income tax (expense)/recovery	9	(7,757,293)	15,940
Profit for the year		**35,707,248**	**25,217,705**
Other comprehensive loss less income tax			
Items that are or may be reclassified subsequently in profit or loss:			
Provision for revaluation of financial assets at fair value through other comprehensive income			
- net change of fair value		-	34,548
Other comprehensive loss for the year less income tax		**-**	**34,548**
Total comprehensive income for the year		**35,707,248**	**25,252,253**
Earnings per share			
Basic and diluted earnings per share (tenge)	19	**35,604.99**	**25,145.49**

On behalf of the management of the Bank:

Cho Yongeun
Chairman of the Management Board

G.Sh. Zhaksybayeva
Chief Accountant

28 March 2025
Almaty City, Republic of Kazakhstan

Notes on pages 10-59 shall be an integral part of these financial statements.

SHINHAN BANK KAZAKHSTAN JSC

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2024
(in thousands of Kazakhstan tenge)

	Notes	31 December 2024	31 December 2023
ASSETS			
Cash and cash equivalents	10	529,876,309	335,979,749
Accounts and deposits with banks	11	184,913	184,910
Loans granted to customers:			
- loans granted to large-scale businesses	12	15,983,905	6,978,987
- loans granted to small and medium-sized businesses	12	49,510,111	31,333,988
- loans granted to retail customers	12	12,456,270	9,802,142
Financial assets at amortized cost	13	53,123,428	88,107,686
Current corporate income tax assets		800,796	433,588
Non-current assets held for sale	14	155,691	155,691
Property, plant and equipment, intangible assets and right-of-use assets		546,661	450,719
Deferred income tax assets	9	43,975	48,268
Other assets	15	1,335,101	734,344
Total assets		**664,017,160**	**474,210,072**
LIABILITIES			
Accounts and deposits of banks		506,316	348,438
Current accounts and deposits from customers:			
- current accounts and deposits of corporate customers	16	557,696,950	411,493,451
- current accounts and deposits of retail customers	16	8,688,736	8,541,984
Loans from international financial organizations	17	14,058,073	7,023,267
Other liabilities	18	1,836,987	1,280,082
Total liabilities		**582,787,062**	**428,687,222**
EQUITY			
Share capital	19	10,028,720	10,028,720
Additional paid-in capital		144,196	144,196
Capital reserves		279,516	279,516
Retained earnings		70,777,666	35,070,418
Total equity		**81,230,098**	**45,522,850**
Total liabilities and equity		**664,017,160**	**474,210,072**

On behalf of the management of the Bank:

Cho Yongeun
Chairman of the Management Board

G.Sh. Zhaksybayeva
Chief Accountant

28 March 2025
Almaty City, Republic of Kazakhstan

Notes on pages 10-59 shall be an integral part of these financial statements.

IBDO QAZAQSTAN Для отчётов

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024
(in thousands of Kazakhstan tenge)

	2024	2023
Cash flows from operating activities		
Earned interest income	106,679,595	62,553,291
Paid interest expenses	(62,567,225)	(34,975,169)
Earned fee income	185,474	165,789
Paid fee expenses	(172,054)	(216,608)
Net receipts from foreign currency transactions	1,532,224	2,657,992
Other operating receipts/(payments)	810,113	306,643
Employee benefits	(1,417,111)	(1,126,230)
Other paid general and administrative expenses	(1,143,448)	(436,401)
Decrease in operating assets		
Accounts and deposits with banks	(5,392)	(10,166)
Loans granted to customers	(29,606,983)	(25,578,490)
Increase in operating liabilities		
Accounts and deposits of banks	161,814	276,608
Current accounts and deposits of customers	140,195,677	335,392,908
Net cash flows from operating activities before income tax	**154,652,684**	**339,010,167**
Paid income tax	(8,120,208)	(352,837)
Net cash flows from operating activities	**146,532,476**	**338,657,330**
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(39,238)	(67,593)
Sale/(acquisition) of financial assets at amortized cost	36,082,008	(67,666,499)
Disposal of financial assets at fair value through other comprehensive income	-	968,646
Net cash flows used in investing activities	**36,042,770**	**(66,765,446)**
Cash flows from financing activities		
Borrowings repaid/(attracted)	6,625,754	(14,904,238)
Paid liabilities on lease	(125,193)	(114,778)
Net cash flows from/(used in) financing activities	**6,500,561**	**(15,019,016)**
Net changes in cash and cash equivalents	**189,075,807**	**256,872,868**
Effect of changes of exchange rates on cash and cash equivalents	4,835,606	(1,337,714)
Provision for expected credit losses	(14,853)	(9,211)
Cash and cash equivalents at the beginning of the year	335,979,749	80,453,806
Cash and cash equivalents at the end of the year	**529,876,309**	**335,979,749**

On behalf of the management of the Bank:

Cho Yongeun
Chairman of the Management Board

G.Sh. Zhaksybayeva
Chief Accountant

28 March 2025
Almaty City, Republic of Kazakhstan

Notes on pages 10-59 shall be an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024
(in thousands of Kazakhstan tenge)

	Share capital	Additional paid-in capital	Capital reserves	Provision for revaluation of financial assets at fair value through other comprehensive income	Retained earnings	Total equity
As of 1 January 2023	**10,028,720**	**144,196**	**279,516**	**(34,548)**	**9,852,713**	**20,270,597**
Profit for the year	-	-	-	-	25,217,705	25,217,705
Net changes in fair value of financial assets at fair value through other comprehensive income	-	-	-	34,548	-	34,548
Total other comprehensive income	-	-	-	34,548	-	34,548
Total comprehensive income for the year	-	-	-	34,548	25,217,705	25,252,253
As of 31 December 2023	**10,028,720**	**144,196**	**279,516**	**-**	**35,070,418**	**45,522,850**
Profit for the year	-	-	-	-	35,707,248	35,707,248
Net changes in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	35,707,248	35,707,248
As of 31 December 2024	**10,028,720**	**144,196**	**279,516**	**-**	**70,777,666**	**81,230,098**

On behalf of the management of the Bank:

Cho Yongeun
Chairman of the Management Board

G.Sh. Zhaksybayeva
Chief Accountant

28 March 2025
Almaty City, Republic of Kazakhstan

Notes on pages 10-59 shall be an integral part of these financial statements.

IBDO QAZAQSTAN Для отчётов

1. BACKGROUND

(a) Organization and primary activities

The Bank was founded in the Republic of Kazakhstan in 2008 as a joint stock company. The primary activities of the Bank consist in the attraction of deposits and the maintenance of customer accounts, loans granting and issue of guarantees, provision of cash and settlement services, making transactions with securities and foreign currency.

The official status of the Bank as a legal entity is established through the state registration with the Ministry of Justice of the Republic and Kazakhstan (Certificate of the state registration of a legal entity No. 5037-1900-AO (FP), the right to be engaged in banking established by the Agency of the Republic of Kazakhstan for regulation and supervision of financial market and financial organizations (AFS) (license to settle banking and other transactions No. 1.1.258 dated 28 November 2008).

In January 2015, in connection with the entry into force of the Law of the Republic of Kazakhstan *On Amendments and Alterations to Certain Legislative Acts of the Republic of Kazakhstan Concerning the Authorization System*, the designation of a type of banking transaction 'related to organization of foreign currency exchange transactions' was changed to the 'organization of foreign currency exchange transactions', including the organization of foreign exchange cash transactions, license of the Bank was re-issued (License of the National Bank of the Republic of Kazakhstan No. 1.1.258 dated 20.01.2015). In January 2017, due to a change of the legal address, the license of the Bank was re-issued (License of the National Bank of the Republic of Kazakhstan No. 1.1.258 dated 27.01.2017).

Legal address of the Bank: 38, Dostyk Ave., Almaty City, 050010, Republic of Kazakhstan.

The Bank has no branches. The most of assets and liabilities are in the Republic of Kazakhstan.

The Bank is wholly owned by Shinhan Bank JSC (Seoul, Republic of Korea) (hereinafter referred to as the Parent Bank or the Shareholder). The ultimate parent company is Shinhan Financial Group Co. Ltd., which is entitled to direct, in its sole discretion and in its own interests, the activities of the Bank. More details on related party transactions are disclosed in Note 22.

(b) Operating environment

General

The Bank's activities are carried out mainly in Kazakhstan. Accordingly, the Bank is exposed to the risks inherent in Kazakhstan's economic and financial markets, which exhibit the characteristics of an emerging market economy. The legal system, tax system and legal framework continue to evolve but are subject to varying interpretations and frequent changes which, along with other legal and financial barriers, exacerbate the problems faced by organizations operating in Kazakhstan.

Economic factors

Over the past few years, the world and financial markets have experienced a long list of disturbances. Inter alia, they include the coronavirus pandemic, the economic recession in China, rising energy prices, unrest in Iran and a number of other countries, global tightening of monetary policy, the war between Russia and Ukraine and the Palestinian-Israeli conflict.

The natural course and organic development of the economies of the leading countries were disrupted. Uncertainty of future events, volatility in raw and capital markets, logistical problems led to financial difficulties for many companies, difficulties in forecasting and budgeting the activities of organizations in various sectors of the economy.

The aggravation of the geopolitical situation led to the expansion of sanctions and restrictions of a number of countries against certain sectors of the Russian economy, Russian companies and citizens; a number of international companies suspended or terminated their business activities in the Russian Federation, as well as ceased to cooperate with the companies associated with the Russian Federation. The management of the Bank monitors the development of the situation and takes all necessary actions to reduce and level emerging risks, ensure uninterrupted activities and maintain the financial stability of the Bank.

The geopolitical crisis continues to have a negative impact on the development of the world economy. Under the pressure of rising energy prices and growing uncertainty, the economies of many countries are slowing down. Weaker economic activities are confirmed by business activity indicators. The global inflation remains at historical highs. However, against the backdrop of a slight decrease in world prices for oil and other energy resources, the overall global inflation continued to decline in annual terms in 2024, without a significant decline in economic activity.

On 15 November 2024, the international rating agency Fitch Ratings confirmed the sovereign credit rating of the Republic of Kazakhstan at BBB, with a stable outlook. The key factors for maintaining Kazakhstan's credit rating remain its strong fiscal position and significant external reserves, which have contributed to resilience to external factors. According to Fitch Ratings, foreign exchange reserves, including liquid assets of the National Fund of the Republic of Kazakhstan, increased by 11% in January-October 2024 and amounted to 38% of GDP. Net foreign assets accounted for 33% of GDP, which is significantly higher than the median of countries with a similar credit rating. At the same time, the country's dependence on raw materials, high inflation and an underdeveloped economic policy program are noted. According to the agency, the measures taken to diversify the economy take time, taking into account the difficulties associated with the economic situation. According to Fitch estimates, the completion of the expansion of activities at the Tengiz field (postponed until the end of 2025) will balance the impact of the geopolitical situation in the region.

Fitch Ratings analysts predict a decrease in inflation in 2025 to 8.1%. The agency emphasizes the commitment of the National Bank to a floating exchange rate, which helps to absorb negative factors.

In addition, the oil and gas sector in the Republic of Kazakhstan remains subject to the influence of political, legislative, tax and regulatory changes in the Republic of Kazakhstan. The prospects for economic stability of the Republic of Kazakhstan largely depend on the effectiveness of economic measures taken by the Government, as well as on the development of the legal, regulatory and political systems, specifically on the circumstances that are beyond the control of the Bank.

The accompanying financial statements present the assessment of the Bank's management of the possible impact of current conditions on the performance and financial position of the Bank. However, the impact of changes in the economic situation on the future performance and financial position of the Bank is currently difficult to determine.

2. FRAMEWORK FOR PREPARATION OF THE FINANCIAL STATEMENTS

(a) Statement of conformance to IFRSs

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as approved by the International Accounting Standards Board (IAS Board).

(b) Basis of evaluation

These financial statements have been prepared in accordance with the actual cost principle, with the exception of financial assets at fair value through other comprehensive income.

(c) Functional and presentation currency

The functional currency of the Bank is the Kazakhstan tenge (hereinafter - the tenge), which, being the national currency of the Republic of Kazakhstan, best reflects the economic essence of most of the Bank's operations and related circumstances affecting its activities.

The Kazakhstan tenge is also the presentation currency of these financial statements. All data presented in the tenge have been rounded to the nearest thousand tenge unless otherwise stated.

(d) Use of professional judgements, accounting estimates and assumptions

The preparation of the financial statements in accordance with the requirements of IFRSs requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the amount of assets and liabilities, income and expenses presented in the financial statements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a regular basis. The estimate adjustments are recognized in the reporting period in which the estimates are revised and in any subsequent periods which they affect.

The information regarding significant estimation uncertainties and critical reasonable judgments in applying the accounting policies is provided in the following notes:

- Note 12 - estimation of loan impairment;
- Note 13 - classification of financial assets at amortized cost;
- Note 24 - fair value of financial instruments.

(e) Going concern

The accompanying financial statements have been prepared on the assumption of a going concern, which implies the disposal of assets and the settlement of liabilities in the course of the ordinary business of the Bank. In making this estimation, the Bank's management considered a wide range of information regarding current and future economic conditions, including projections for cash flows, earnings and capital resources.

3. MATERIAL INFORMATION ON ACCOUNTING POLICIES

The accounting policies described below have been applied by the Bank consistently throughout the reporting periods presented in these financial statements.

(a) Foreign exchange transactions

The foreign exchange transactions are translated into the functional currency of the Bank at the exchange rates prevailing on the dates of transactions.

Monetary assets and liabilities denominated in foreign currency at the reporting date are translated into the functional currency at the exchange rate prevailing at the reporting date. Profit or loss from transactions with monetary assets and liabilities denominated in foreign currency is a difference between the amortized cost in the functional currency at the beginning of the period adjusted by the amount of interest charged at the effective rate and payments during the period and amortized cost in foreign currency translated into the functional currency at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currency measured at fair value are translated into the functional currency at the exchange rates prevailing on the dates of fair value measurement. Non-monetary assets and liabilities denominated in foreign currency and reported at actual costs are translated into the functional currency at the exchange rate prevailing on a transaction date.

The foreign exchange differences resulting from translation into the foreign currency are recognized in profit or loss.

(b) Financial instruments

(i) Recognition and measurement of financial instruments

Financial assets and financial liabilities are recognized in the statement of financial position of the Bank when the Bank becomes a contracting party to the underlying financial instrument. The Bank reports regular acquisitions and disposals of financial assets and liabilities using the accounting method at the settlement date. Financial instruments acquired in this way, which will subsequently be measured at fair value, are accounted for in the same way as the acquired instruments from the time of conclusion of a transaction until the settlement date set.

Financial assets and financial liabilities are initially reported at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities reported at fair value through profit or loss (FVTPL)) respectively increase or decrease the fair value of financial assets or financial liabilities at initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities reported at fair value through profit or loss are reported directly in profit or loss. The accounting principles used to subsequently measure the value of financial assets and financial liabilities are disclosed in the relevant accounting policies described below.

Financial assets

All financial assets are recognized and derecognised on a date of transaction when a financial asset is purchased or sold under a contract the terms of which require delivery of the financial asset within the time limits set by the relevant market and are initially measured at fair value, plus transaction costs, excluding those financial assets that are classified as measured at fair value through profit or loss. Transaction costs directly attributable to the acquisition of financial assets classified as measured at fair value through profit or loss are recognized immediately in profit or loss.

All recognized financial assets that are within the scope of IFRS 9 *Financial Instruments* must be subsequently measured at amortized cost or fair value based on the Bank's business model for managing financial assets and the contractual cash flow characteristics of financial assets.
At the same time:

- *Holding an asset to receive contractual cash flows.*

This business model assumes that the financial assets are managed to realize cash flows by receiving payments of principal and interest over the life of the financial instrument.

Under this business model, holding a financial asset to maturity is a priority, but early disposal is not prohibited.

- *Holding an asset to receive contractual cash flows and sell financial assets.*

This business model assumes that the management of financial assets is aimed at both receiving contractual cash flows and selling financial assets. Within this business model, the receipt of cash from the sale of a financial asset is a priority, which is characterized by a higher frequency and volume of sales compared to the business model of 'Holding an asset to receive contractual cash flows'.

- *Holding an asset for other purposes.*

Within this business model, the goal of managing the financial assets can be:

a. management for the purpose of realizing cash flows through the sale of financial assets;
b. liquidity management to meet daily funding needs;

c. a portfolio the management and performance evaluation of which are based on a fair value; and
d. a portfolio that meets the 'held for trade' definition. Financial assets are considered to be held for trade if they have been acquired principally for the purpose of selling in the near term (up to 180 days), generating short-term profits, or are financial derivatives (with the exception of a financial guarantee or derivative financial instruments, which have been identified as hedging instrument).

In accordance with IFRS 9, the Bank's financial assets are classified as follows:

- loans granted to customers that are classified as assets measured at amortized cost are held within a business model aimed at receiving contractual cash flows that are solely payments of principal and interest on principal outstanding and which include solely payments on account of principal and interest (SPPI);
- cash and cash equivalents include cash banknotes and coins, unrestricted balances (nostro accounts) with the RK NB and other banks, as well as highly liquid financial assets with original maturities of less than 3 months that are not subject to significant risk of changes in fair value and are used by the Bank to settle current liabilities. Cash and cash equivalents are reported at amortized cost in the statement of financial position;
- interbank loans/deposits, REPO transactions are classified, as a rule, as assets measured at amortized cost since they are managed within a business model aimed at receiving contractual cash flows that include SPPI;
- • debt securities may be classified into any of three classification categories based on the chosen business model and SPPI test compliance;
- • equity securities are classified, as a rule, into the category of instruments measured at fair value with changes therein reported in profit or loss for the period; and
- • trading securities and derivative financial instruments are classified into the category of financial assets measured at fair value with changes therein reported in profit or loss for the period.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit and loss or other financial liabilities.

A financial liability is classified as held for trade if:

- it is accepted for the primary purpose of repurchase in the near future;
- when initially recognized, it is a part of a portfolio of identified financial instruments that are managed by the Bank as a single portfolio that has a recent history of short-term purchases and reselling, or
- it is a derivative instrument that is not classified and is not used as a hedging instrument.

A financial liability other than financial liability or contingent consideration that may be paid by a customer in a business combination held for trade may be qualified as FVTPL financial liability at the time of recognition if:

- the use of such a classification eliminates or significantly reduces imbalances in the measurement of or accounting for the assets or liabilities that might otherwise arise;
- a financial liability is a part of a group of financial assets or financial liabilities or a group of financial assets and liabilities that are managed and measured on the basis of a fair value in accordance with the Bank's documented risk management or investment strategy and the information about such a group of financial liabilities is presented within the organization on this basis; or
- a financial liability is a part of an instrument containing one or more embedded derivatives, and IFRS 9 allows the instrument as a whole (asset or liability) to be classified as measured at fair value with recognizing changes therein in the statement of profit or loss.

Financial assets and financial liabilities measured at fair value through profit or loss are accounted for in the statement of financial position at fair value. Changes in fair value are reported in net loss/(profit) on financial assets and liabilities measured at fair value through profit or loss. Interest earned or incurred is recognized as interest income or expense, as appropriate, in accordance with the terms of a contract, while dividend income is recorded in Other income when the right to receive dividends is established.

Debt instruments at amortized cost or at fair value through other comprehensive income

The Bank assesses the classification and measurement of a financial asset based on the characteristics provided by the cash flow contract and the Bank's business model used to manage the asset.

To classify and measure an asset at amortized cost or at fair value through other comprehensive income, the terms of the relevant contract must provide for the occurrence of cash flows that include solely payment of principal and interest on the principal outstanding.

When revising the contractual cash flows for compliance with the specified requirements, the principal outstanding is considered as a fair value of a financial asset at its initial recognition. During the life of a financial asset, the principal debt may change (for example, in the case of principal payments). Interest includes consideration for the time value of money, for the credit risk of principal remaining outstanding for a specified period of time, and for other normal risks and costs associated with lending, as well as a profit margin. The payments of principal and interest are measured in a currency in which a financial asset is denominated.

The contractual cash flows, which include solely payments of principal and interest, comply with the terms of an underlying loan contract. Contractual terms that give rise to risks or volatility in contractual cash flows that are not related to the underlying loan contract, such as share or commodity price risk, do not give rise to contractual cash flows that include solely payment of principal and interest on the principal outstanding. An originated or acquired financial asset may be the underlying loan contract, whether or not it is a loan in its legal form.

The business models used to manage financial assets was assessed at the date of first adoption of IFRS 9 to classify a financial asset. The business model has been applied retrospectively to all financial assets recognized in the Bank's balance sheet at the date of first adoption of IFRS 9. The business model used by the Bank is defined at a level that reflects how the grouped financial assets are managed to achieve a particular business objective. Since the Bank's business model is not subject to the management's intentions for an individual instrument, the assessment is not made at the level of individual instruments, but at a higher level of aggregation.

To manage its financial instruments, the Bank uses several business models that describe the mechanism for managing financial assets in order to generate cash flows. These business models determine whether cash flows of the Bank will result from the receipt of contractual cash flows, the sale of financial assets, or both.

When assessing a business model, the Bank takes into account all available information. However, the assessment is not based on scenarios that the Bank can reasonably expect to occur, such as a 'worst case' or 'stress' scenario. The Bank takes into account all relevant data, such as:

- a mechanism for evaluating the effectiveness of the business model and the financial assets held within that business model and reporting to key management personnel;
- risks affecting the effectiveness of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the mechanism for paying remuneration to management (for example, the grounds for paying remuneration are analysed: a fair value of relevant assets or contractual cash flows received).

At initial recognition of a financial asset, the Bank determines whether newly recognized financial assets are part of an existing business model or indicate the emergence of a new business model. The Bank reviews its business models in each reporting period to identify changes from the previous period. In the current reporting period, the Bank did not reveal any changes in its business models.

Upon derecognition of a debt instrument measured at fair value through other comprehensive income, the cumulative profit/loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Debt instruments that, after initial recognition, are measured at amortized cost or at fair value through other comprehensive income are subject to impairment.

(ii) Derecognition

The Bank derecognises a financial asset when it loses its contractual rights to cash flows from that financial asset, or when it transfers a financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred to the other party, or in which the Bank does not transfer or retain substantially all the risks and rewards incidental to ownership of that financial asset and does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition created or retained by the Bank is recognized as a separate asset or liability in the statement of financial position. The Bank derecognizes a financial liability when the contractual liabilities on it are discharged, cancelled or terminated.

The Bank enters into transactions whereby it transfers the assets recognized in the statement of financial position, but retains all or part of the risks and rewards arising from ownership of the transferred assets.

While retaining all or substantially all the risks and rewards, the Bank does not derecognize the transferred assets.In transactions where the Bank does not retain, but does not transfer substantially all the risks and rewards of ownership of a financial asset, that asset is derecognized if the Bank has lost control of the asset.

If the Bank retains control of the asset when it is transferred, it continues to recognize the asset to the extent that it retains an interest in the asset, which is determined as an extent to which the Bank is exposed to changes in its value.

The Bank writes off he assets that are recognized as uncollectible.

(iii) Assets and liabilities offset

Financial assets and liabilities are offset and presented in the statement of financial position on a net basis only when the Bank currently has an enforceable right to offset the recognized amounts and intends to either settle them on a net basis or dispose of the asset and settle the liability at the same time. The Bank currently has a legally enforceable right to set off unless this right is conditional on a future event and is legally enforceable both in the normal course of business and in case of a default on liabilities, insolvency or bankruptcy of the Bank or any of its counterparties.

(iv) Impairment

Impairment for financial assets was calculated taking into account the following factors:

- To calculate the amount of expected credit losses (ECLs), the Bank evaluates the loans on a case-by-case basis and on a group basis with grouping the assets based on the general characteristics of credit risk.
- ECLs are estimates of the present value of credit losses given their probability. The estimate of these losses is the present value of a difference between the cash flows due to the Bank under a contract and the cash flows that the Bank expects to receive based on a probability analysis of a number of economic scenarios, discounted using the effective interest rate for the relevant asset.
- The calculation is based on reasonable and substantiated information that can be obtained without undue cost or effort. The calculation of the current value of the expected future cash flow of a collateralized financial asset reflects the cash flow that could result from enforcement minus the costs of obtaining and enforcing the collateral whether or not enforcement is probable. The provisions are based on the Bank's own loss analysis experience and management's assumptions about the level of losses that are likely to be recognized for assets in each credit risk category based on the capability to service a debt and the borrower's credit history.

- The impairment for treasury operations (investments in debt securities, reverse REPO transactions, interbank loans and deposits, operations on correspondent accounts, receivables on treasury operations) is calculated taking into account the rating of a counterparty, the probability of default, the term of a transaction and the level of loss at default.
- The expected credit losses on treasury operations are measured on a case-by-case basis (except for certain claims in the form of receivables).

Financial assets are segmented into baskets in accordance with the following approach:

- Stage 1: the credit risk has not increased significantly since the recognition of an asset; impairment is recognized in the amount of expected losses over the next 12 months;
- Stage 2: the credit risk has increased significantly since the recognition of an asset; impairment is recognized in the amount of expected losses over the entire life of a financial asset;
- Stage 3: The financial asset is in default or has indications of impairment.

Provisions for expected credit losses

The expected credit losses must be estimated using an allowance the value of which is equal to:

- the amount of credit losses expected over the next 12 months i.e. that portion of credit losses over the entire life of a financial instrument that represents expected credit losses due to defaults on liabilities under the instrument that may arise within 12 months after the reporting date (Stage 1);
- the amount of credit losses expected over the entire life of a financial instrument, which arise as a result of all possible cases of default on liabilities under an instrument during term thereof (Stage 2 and Stage 3).

The creation of an allowance in the amount of total ECLs for the entire life of a financial instrument is required in the event of a significant increase in the credit risk of the instrument since its initial recognition. In all other cases, the provisions for ECLs are formed in the amount equal to the ECLs within 12 months.

- For undrawn credit, ECLs are as difference between the present value of the difference between the contractual cash flows due to the Bank if the holder of a commitment draws the credit and the cash flows the Bank expects to receive if the credit is drawn.
- For financial guarantee contracts, ECLs are a difference between the expected payments to indemnify a holder of guaranteed debt instrument less any amounts that the Bank expects to receive from holder, borrower or any other party.

ECLs are estimated for individual loans or portfolios of loans with similar risk characteristics. The calculation of an allowance for ECLs (whether on a case-by-case basis or on a group basis) is based on the present value of the expected cash flows for the asset using the original effective interest rate (EIR).

When determining ECLs, it is extremely important to use the definition of a default. The definition of a default is used to estimate the amount of ECLs and to determine if an allowance is calculated for the next 12 months or for the entire term of the loan, since the concept of 'a default' is a part of the concept of 'probability of a default', which affects both the estimate of ECLs and identification of a significant increase in credit risk.

Definition of a default

Financial assets in default bear the maximum credit risk, and there is no possibility of recovery within the original time limits set, restructuring or, in the absence of prospects for such restructuring, recognition of loss in full or in part is required. Deterioration of the financial condition of the issuer/borrower below a critical level includes significant losses, a decrease in market share, the cost of capital falling below zero.

Due to the specificity of each of the financial assets in the Bank's portfolio, the decision on recognition of default is made after being considered by the Credit Committee of the Bank on a case-by-case basis. As a rule, this decision is made as a result of events that have happened or are highly likely to be expected.

The qualitative factors for the impairment of financial assets may include the suspension of accrual of remuneration due to the deterioration of the financial condition of a counterparty, the write-off of a part and/or full amount outstanding, which is caused by a significant increase in credit risk since the provision of the financial asset, the sale of financial assets with a significant discount (15% or more), loan restructuring, filing a lawsuit for recognizing a counterparty as a bankrupt, as well as the disappearance of an active market for a security, a decrease in the value of collateral or other observable data.

If the terms of a bank loan to a customer are renegotiated so that it becomes substantially a new loan, the Bank recognizes the derecognition of such financial asset, while recognizing the difference from the derecognition of the asset to the allowance for expected credit losses in profit or loss. At initial recognition, loans to customers are classified at stage 1 for the purpose of measuring expected credit losses, excluding loans granted and classified as POCI (Purchased or Originated Credit Impaired Financial Assets). If the modification does not result in a significant change in Cash Flows, then the loan will not terminate.

As of 31 December 2024, the amount of accrued interest on restructured loans was 27,954 thousand tenge (31 December 2023: 23,395 thousand tenge).

As at 31 December 2024, loans to customers included loans whose terms were restructured in the amount of 468,926 thousand tenge (31 December 2023: 811,987 thousand tenge).

(v) Credit-impaired financial assets

A financial asset is considered to be credit-impaired if one or more events occur that have a negative impact on the estimated future cash flows of such financial asset. In relation to credit-impaired financial assets, the term 'Stage 3 assets' is used. The indicators of credit impairment include observable data on the following events:

- significant financial difficulties of the borrower or lender;
- violation of the terms of a contract, such as default or late payment;
- the lender making a concession to the borrower for economic reasons or contractual terms due to the financial difficulties of the borrower that the lender would not otherwise have made;
- the disappearance of an active market for the security as a result of financial difficulties; or
- purchasing a financial asset at large discount that reflects the credit losses incurred.

In some cases, the identification of a single event is not possible because the credit impairment of a financial asset may be due to the combined effect of several events. At each reporting date, the Bank assesses for credit impairment the debt instruments, which are financial assets measured at amortized cost or at fair value through other comprehensive income. In assessing the credit impairment of government and corporate debt instruments, the Bank considers factors such as bond yields, credit ratings and the borrower's ability to raise funds.

A loan is considered to be credit-impaired if a concession is granted to the borrower due to deterioration in financial condition, provided there is no evidence that the concession resulted in a significant reduction in the risk of not receiving contractual cash flows, and no other indicators of impairment exist. Financial assets for which concession has been considered but not granted are considered to be credit-impaired if there are observable indicators of credit impairment, including those matching the definition of a default. The definition of a default includes indicators of the lack of probability of payment and the expiration of the payment period (in case of delay for 90 days or more). The decision to use cross default is based on an individual assessment of the conditions of the customer's object, such as collateral and materiality of the credit risk.

(c) Property, plant and equipment

(i) Own assets

The items of property, plant and equipment are reported in the financial statements at actual cost less accumulated depreciation and impairment losses. If an item of property, plant and equipment consists of several components with different useful lives, such components are reported as separate items of property, plant and equipment.

(ii) Depreciation

Depreciation is charged on property, plant and equipment on a declining balance method at the rates, in the amount not exceeding 20% for all types of property, plant and equipment, except for cases where the life of the item of property, plant and equipment is determined by special conditions for the use of that item of property, plant and equipment and is presented in profit or loss. Depreciation is charged from a date of acquisition of the item and, for items of property, plant and equipment erected in house, from the moment the construction of the object is completed and it is ready for operation. Land plots are not depreciated.

If the Bank makes an investment in leased property, plant and equipment, such costs are amortized on a straight-line basis over the shorter of the lease term or the useful life of the improvements to the leased property.

(d) Intangible assets

Acquired intangible assets are reported in the financial statements at actual cost less accumulated amortization and impairment losses. The costs of acquiring licenses for special software and its implementation are capitalized in the cost of the corresponding intangible asset.

Amortization is charged on intangible assets using the declining balance method at the rates, in the amount not exceeding 20% for all types of intangible assets, except for cases where the useful life of an intangible asset is determined by special conditions for the use of this intangible asset and is presented in profit or loss.

(e) Lease

The Bank, as a lessee, recognizes a right-of-use asset, which is the right to use the assets, and a liability, which is a liability on lease payments.

For all lease contracts (except for those specified below), the Bank:

- recognizes in the statement of financial position the right-of-use assets and the lease liabilities in 'Property, plant and equipment' and 'Other liabilities', respectively;
- recognizes in the statement of profit and loss the amortization of the right-of-use assets as deterioration and amortization expenses in 'Operating expenses' and interest on lease liabilities in 'Interest expenses'; and
- separates in the statement of cash flows the total cash used to repay principal (represented in financing activities) and interest (represented in operating activities).

The right-to-use assets are tested for impairment in accordance with IAS 36 *Asset Impairment*.
For short-term leases (up to 12 months) and low-value leases of assets, the Bank recognizes lease expenses on a straight-line basis.

Lease incentive payments (for example, a free (grace) period) are recognized as part of the measurement of the right-of-use assets and the lease liabilities at initial recognition.

(f) Assets held for sale

Non-current assets and liabilities directly related to non-current assets are classified as held for sale ('disposal group') if it is likely that the current value of such assets will be recovered primarily through the sale of these assets, but not through their permanent use, as well as if such assets (or disposal group) may be disposed of in their current condition. The management must be committed to selling such assets within one year from a date these assets are classified as held for sale.

Assets held for sale are measured at the lower of their current and fair value, less selling expenses. In case the fair value of an asset held for sale, less selling expenses, is less than its current value, the entity must recognize the impairment loss in the statement of profit and losses as loss from assets held for sale. Any subsequent increase in the asset's fair value, less selling expenses, is recognized in the amount of the accumulated impairment loss previously recognized for those assets.

(g) Impairment of non-financial assets

Non-financial assets, other than deferred tax assets, are tested for impairment at each reporting date. The recoverable amount of non-financial assets is the higher of fair value less selling expenses and value in use. In determining the value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market estimate of the time value of money and the risks incidental to the asset. For an asset that does not generate cash flows generated by other assets, the recoverable amount is determined by the group of cash generating assets to which the asset belongs. The impairment loss is recognized when the carrying amount of a cash-generating asset or group of cash-generating assets exceeds its recoverable amount.

All impairment losses of non-financial assets are recognized in profit or loss and are only reversed if there has been a change in the estimates used to determine the recoverable amount. Any impairment loss of an asset is reversed to the extent that the carrying amount of the asset does not exceed the carrying amount (less amortization) that would have occurred had the impairment loss not been reported in the financial statements.

(h) Provisions

A provision is reported in the statement of financial position when the Bank has a legal or reasonable liability as a result of past event and it is probable that an outflow of funds will be required to settle that liability. If the amount of such liability is significant, then provisions are determined by discounting estimated future cash flows using a pre-tax discount rate that reflects the current market estimate of the time value of money and, where applicable, the risks incidental to the liability.

(i) Contingent credit liabilities

In the course of its current business activities, the Bank assumes contingent credit liabilities including undrawn credit facilities, letters of credit and guarantees, and provides other forms of credit insurance.

Financial guarantees are contracts that oblige the Bank to make specified payments to compensate a holder of a financial guarantee for losses incurred because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

A liability under a financial guarantee is initially recognized at fair value less the associated transaction costs and subsequently measured at the higher of the amount initially recognized less accumulated depreciation or the provision for possible losses under the guarantee. Provisions for possible losses under financial guarantees and other credit liabilities are recognized when there is a high probability of occurrence of losses and such losses can be measured with a reasonable degree of reliability.

Liabilities under financial guarantees and provisions for other credit liabilities are included in other liabilities.

Lending liabilities are not recognized in the financial statements except for the following:

- commitments to grant loans, which the Bank defines as financial liabilities at fair value the changes in which are reported in profit or loss for the period;
- if the Bank has a past experience of selling the assets acquired in connection with loan commitments, shortly after they arise, similar to the loan commitments belonging to the same class of instruments that are considered as derivative financial instruments;
- loan commitments that are settled according to a contract on a net basis in cash or by transfer or issue of another financial instrument; or
- loan commitments at a rate below the market one.

(j) Share capital

(i) Ordinary shares

The ordinary shares are classified as equity. Costs directly attributable to the issue of ordinary shares and share options are recognized as a decrease in equity less any tax effects.

(ii) Dividend

The ability of the Bank to declare and pay dividends is subject to the regulation of the effective legislation of the Republic of Kazakhstan.

Dividend on ordinary shares are recognized in the financial statements as a use of retained earnings when declared.

(k) Taxation

The income tax includes current tax and deferred tax. Income tax is recognized in profit or loss in full, with the exception of amounts relating to transactions recognized in other comprehensive income or transactions with owners recognized directly in equity, which, respectively, are reported in other comprehensive income or directly in equity.

Current income tax expenses are calculated based on the estimated taxable profit for the year taking into account the income tax rates in force at the reporting date, as well as the liabilities arising from the adjustment of income tax amounts for previous reporting years.

Deferred tax assets and deferred tax liabilities are recognized for temporary differences arising between the carrying amount of assets and liabilities determined for the purposes of their presentation in the financial statements and their tax base. Deferred tax assets and deferred tax liabilities are not recognized for the following temporary differences: differences relating to assets and liabilities the initial recognition of which does not affect either accounting or taxable profit. The deferred tax assets and deferred tax liabilities are determined based on the tax rates that will apply in the future at the time of the reversal of the temporary differences, based on the laws in effect or substantially enacted at the reporting date.

The calculation of deferred tax assets and deferred tax liabilities reflects the tax implications that depend on the manner in which the Bank is going to recover or settle the carrying amount of assets and liabilities at the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that sufficient taxable profit will be generated in the future to cover the temporary differences, non-recorded tax expenses and unused tax benefits.

The deferred tax assets are reduced to the extent that it is not probable that taxable profit will be available against which the deductible temporary differences can be used.

(l) Recognition of income and expenses in the financial statements

Interest income and expenses on all financial instruments, except for financial assets measured at fair value through profit or loss, are recognized in Net interest income as Interest income calculated using the effective interest method and Interest expenses in the statement of profit and losses using the effective interest method.

The effective interest rate is a rate that discounts the estimated future cash flows of a financial instrument to the net carrying amount over the expected life of a financial asset or liability or (if applicable) over a shorter period. Future cash flows are estimated taking into account all contractual conditions of the instrument.

If a financial asset or a group of financial assets has been written off (or partially written off) as a result of an impairment, interest income is determined using the interest rate used to discount future cash flows to calculate impairment losses to the net amortized cost of that financial asset. If default on a financial asset is liquidated and it is no longer credit-impaired, the Bank reverts to calculating interest income on a gross basis.

Fee income is reported as a transfer of services to customers in an amount that reflects a consideration expected to be received in exchange for such services. The Bank defines a performance obligation id est the services agreed upon with a customer and a consideration, and recognizes income in accordance with the transfer of services, performance obligation agreed upon with the customer.

For each performance obligation identified, the Bank determines at the time of contract conclusion whether it fulfils performance obligation within specified time limit or at a specified point in time, and whether the consideration is fixed or variable, including the limitation of reimbursement, for example, by external factors not related to the influence of the Bank. The reimbursement is subsequently allocated to the identified performance obligation.

The other fees, as well as other income and expenses, are recognized in profit or loss on the date the related service is provided.

Payments under operating lease contracts are recognized in profit or loss for the period on a straight-line basis over the entire lease term. The amount of benefits received reduces the total lease expenses for entire lease term.

(m) Financial guarantee contracts

Financial guarantees or letters of credit provided by the Bank are collateral for credit transactions that provide for payment as compensation for a loss that is incurred if a debtor fails to make payment in due time in accordance with the original or modified terms of a debt instrument. Such financial guarantees or letters of credit are initially reported at fair value. Subsequently, they are measured on the basis of (a) the amount recognized as a provision and (b) the amount initially recognized, less, where applicable, accumulated amortization of deferred income in the form of a premium received under a financial guarantee or letters of credit, whichever is greater.

(n) Adoption of new and amended International Financial Reporting Standards (IFRSs)

A number of new standards come into effect for annual periods beginning on or after 1 January 2025, with the option of early adoption. However, the Bank has not early adopted the new and amended standards in the preparation of these financial statements.

(in thousands of Kazakhstani tenge)

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IFRS 18 "Presentation and Disclosure in Financial Statements"

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

- Entities must classify all income and expenses into five categories in the statement of profit or loss, namely: operating activities, investing activities, financing activities, discontinued operations, and income tax. Entities must also present a new standardized subtotal, "operating profit." The net profit of entities will remain unchanged.
- Management-defined performance measures (MPMs) must be disclosed in a single dedicated note in the financial statements.
- Enhanced guidance is provided on grouping information within the financial statements.

Additionally, all entities must use the operating profit subtotal as the starting point in the statement of cash flows when presenting cash flows from operating activities using the indirect method.

The Bank is still in the process of assessing the impact of the new standard, particularly concerning the structure of its statement of comprehensive income, statement of cash flows, and additional disclosures required for management-defined performance measures. The Bank is also evaluating the impact on how information is grouped in the financial statements, including items currently classified as "other."

These amendments are intended to improve disclosure of accounting policies and assist users of financial statements in distinguishing between changes in accounting estimates and changes in accounting policies.

The Bank is currently assessing the impact these amendments may have on the disclosure of information about the Bank's accounting policies.

4. INTEREST INCOME/(EXPENSE)

	2024	2023
Interest income		
Cash and cash equivalents	91,489,736	27,557,320
Loans granted to customers	10,901,335	6,184,613
Financial assets at amortized cost	5,528,583	28,408,008
Financial assets at fair value through other comprehensive income	-	15,032
Loans issued to banks	-	1,389
Accounts and deposits with banks	7,188	104,487
Total interest income	**107,926,842**	**62,270,849**
Interest expenses		
Current accounts and deposits of customers	(62,413,396)	(36,240,189)
Fee on loans	(1,299,173)	(1,701,249)
Liability on lease	(28,135)	(30,155)
Liabilities on REPO contracts	-	(68,271)
Total interest expense	**(63,740,704)**	**(38,039,864)**
Total net interest income	**44,186,138**	**24,230,985**

5. NET PROFIT FROM FOREIGN CURRENCY TRANSACTIONS

	2024	2023
Dealing transactions, net	1,532,590	2,657,992
Foreign exchange differences, net	48,738	41,921
Total net profit from foreign currency transactions	**1,581,328**	**2,699,913**

(in thousands of Kazakhstani tenge)

6. PERSONNEL EXPENSES

	2024	2023
Employee benefits	1,267,688	1,056,606
Taxes and withholdings from salary	140,330	106,785
Total personnel expenses	**1,408,018**	**1,163,391**

7. PROVISIONS FOR EXPECTED CREDIT LOSSES

	Cash and cash equivalents	Accounts and deposits with banks	Loans granted to customers	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Other assets	Total
As of 1 January 2023	**4,217**	**91**	**185,814**	**3,162**	**136**	**2,206**	**195,626**
Forming provisions	68,316	116	265,097	57,855		4,473	395,857
Recovering provisions	(63,211)	(117)	(159,712)	(55,166)	(136)	(5,472)	(283,814)
Foreign exchange difference	-	-	-	-	-	(482)	(482)
Write-off	(111)	-	(35)	(4)	-	34	(116)
As of 31 December 2023	**9,211**	**90**	**291,164**	**5,847**	**-**	**759**	**307,071**
Forming provisions	219,899	3,311	251,841	39,975	-	226,805	741,831
Recovering provisions	(214,723)	(3,314)	(213,100)	(26,787)	-	(29,413)	(487,337)
Write-off	-	-	(25,140)	-	-	-	(25,140)
Foreign exchange difference	466	-	-	-	-	(4)	462
As of 31 December 2024	**14,853**	**87**	**304,765**	**19,035**	**-**	**198,147**	**536,887**

During 2024, reserves were formed for 64,599 thousand tenge and reserves were restored for 69,386 thousand tenge (2023: reserves were formed for 25,355 thousand tenge and reserves were restored for 23,071 thousand tenge).

(in thousands of Kazakhstani tenge)

Movements in accumulated provisions for expected credit losses on loans granted to customers are presented as follows:

	2024				2023			
Loans granted to customers	*Stage 1*	*Stage 2*	*Stage 3*	*Total*	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Balance as of 1 January	**11,758**	**2,156**	**277,250**	**291,164**	**11,785**	**654**	**173,375**	**185,814**
Reclassified as Stage 1	154	(129)	(25)	-	5	-	(5)	-
Reclassified as Stage 2	(4,182)	4,322	(140)	-	(582)	582	-	-
Reclassified as Stage 3	(591)	-	591	-	(144)	-	144	-
Net changes in provisions	(1,657)	156	(74,451)	(75,952)	(7,818)	920	(110,382)	(117,280)
Acquisition of new financial assets	4,167	1,315	84,071	89,553	8,547	-	214,118	222,665
Foreign exchange difference	-	-	-	-	(35)	-	-	(35)
Balance as of 31 December	**9,649**	**7,820**	**287,296**	**304,765**	**11,758**	**2,156**	**277,250**	**291,164**

Movements in accumulated provisions for expected credit losses for 2024 on financial assets are presented as follows:

	Financial assets at amortized cost	*Financial assets at fair value through other comprehensive income*	*Cash and cash equivalents*	*Accounts and deposits with banks*	*Other assets**	*Contingent credit liabilities*
2024	*Stage 1*	*Stage 1*	*Stage 1*	*Stage 1*	*Total*	*Stage 1*
Balance as of 1 January	**5,847**	-	**9,211**	**90**	**759**	**4,929**
Reclassified as Stage 1	-	-	-	-	-	-
Reclassified as Stage 2	-	-	-	-	-	-
Reclassified as Stage 3	-	-	-	-	1,200	-
Net changes in provisions	(5,465)	-	(7,734)	(3)	(759)	(4,929)
Acquisition of new financial assets	18,653	-	13,376	-	196,947	138
Foreign exchange difference	-	-	-	-	-	-
Balance as of 31 December	**19,035**	-	**14,853**	**87**	**198,147**	**138**

Other assets*:
- the net change in stage 1 - 159 thousand tenge, in stage 2 - 600 thousand tenge, total - 759 thousand tenge.
- new financial assets acquisitions in stage 1 - 321 thousand tenge, stage 3 - 196,626 thousand tenge, total - 196,947 thousand tenge.

(in thousands of Kazakhstani tenge)

Movements in accumulated provisions for expected credit losses for 2023 on financial assets are presented as follows:

	Financial assets at amortized cost	*Financial assets at fair value through other comprehensive income*	*Cash and cash equivalents*	*Accounts and deposits with banks*	*Other assets**	*Contingent credit liabilities*
2023	*Stage 1*	*Stage 1*	*Stage 1*	*Stage 1*	*Total*	*Stage 1*
Balance as of 1 January	**3,162**	**136**	**4,217**	**91**	**2,206**	**2,645**
Reclassified as Stage 1	-	-	-	-	-	-
Reclassified as Stage 2	-	-	-	-	-	-
Reclassified as Stage 3	-	-	-	-	-	-
Net changes in provisions	(2,832)	(136)	(3,203)	(44)	(2,206)	(2,645)
Acquisition of new financial assets	5,517	-	8,197	43	725	4,929
Foreign exchange difference	-	-	-	-	34	-
Balance as of 31 December	**5,847**	**-**	**9,211**	**90**	**759**	**4,929**

Other assets*:
- net changes in provisions at Stage 1 - 69 thousand tenge, at Stage 2 - 482 thousand tenge, at Stage 3 - 1,655 thousand tenge, total - 2,206 thousand tenge,
- acquisition of new financial assets at Stage 1 - 125 thousand tenge, at Stage 2 - 600 thousand tenge, total - 725 thousand tenge.

(in thousands of Kazakhstani tenge)

8. OTHER GENERAL AND ADMINISTRATIVE EXPENSES

	2024	2023
Professional services	219,694	21,385
Depreciation and amortization	145,016	102,914
Software support	110,659	46,639
Taxes, fees and other compulsory payments	108,434	67,120
Communication services and information services	72,474	61,779
Operating expenses	32,834	30,051
Processing services	31,525	27,767
Expenses for operating lease	30,184	11,419
Representation expenses	23,985	18,923
Repairs and maintenance	20,662	8,507
Travelling expenses	20,351	16,628
Security	18,569	8,527
Membership fees	17,270	22,532
Transportation expenses	14,874	12,198
Insurance expenses	13,615	12,458
Courier services	6,339	7,905
Office supplies	5,824	5,815
Writing off property, plant and equipment	2,106	1,430
Advertisement and marketing	1,749	1,993
Other	94,876	80,007
Total other general and administrative expenses	**991,040**	**565,997**

9. INCOME TAX (EXPENSE)/ECONOMY

The Bank makes tax calculations for the current period based on data of tax accounting records kept in accordance with the requirements of the tax laws of the Republic of Kazakhstan. Income tax expenses for the years ended 31 December 2024 and 2023 are shown below.

	2024	2023
Reporting period	(7,753,000)	-
Adjustment to prior period	-	12,644
Changes in deferred taxes resulting from occurrence and recovery of temporary differences	(4,293)	3,296
Total income tax (expense)/economy	**(7,757,293)**	**15,940**

The income tax rate in the Republic of Kazakhstan was set at 20% during 2024 and 2023. Income on government securities and certain other securities is not subject to income tax.

Due to the fact that certain expenses are not accounted for tax purposes, as well as there is non-taxable income, the Bank has certain permanent tax differences.

Calculation of the effective income tax rate for the years ended 31 December 2024 and 2023:

	2024	2023
Profit before income tax	**43,464,541**	**25,201,765**
Income tax calculated in accordance with prevailing income tax rate	(8,692,908)	(5,040,353)
Non-taxable income from transactions with securities	1,105,717	5,684,608
Other non-deductible expenses	(170,102)	(628,315)
Total income tax (expense)/economy	**(7,757,293)**	**15,940**
Effective income tax rate	**17.8%**	**-0.1%**

(in thousands of Kazakhstani tenge)

Deferred tax assets

The temporary differences arising between the value of assets and liabilities reported in the financial statements and the amounts used to calculate the tax base give rise to deferred tax assets as of 31 December 2024 and liabilities as of 31 December 2023.

The change in the amount of temporary differences for the years ended 31 December 2024 and 2023 can be presented as follows:

2024	Balance as of 1 January 2024	Reported in profit or loss	Balance as of 31 December 2024
Property, plant and equipment, intangible assets and right-of-use assets	(28,159)	7,883	(20,276)
Other liabilities	76,427	(12,176)	64,251
	48,268	**(4,293)**	**43,975**

2023	Balance as of 1 January 2023	Reported in profit or loss	Balance as of 31 December 2023
Property, plant and equipment, intangible assets and right-of-use assets	(12,892)	(15,267)	(28,159)
Other liabilities	57,864	18,563	76,427
	44,972	**3,296**	**48,268**

10. CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash on hand	474,805	1,183,458
Nostro accounts with RK NB	2,005,555	943,194
Nostro accounts with other banks		
- having credit rating A- to A+	*8,195,891*	*8,007,882*
- having credit rating BB- to BB+	*232,146*	*132,433*
- not rated	*54,720*	*46,829*
Total Nostro accounts with other banks	**8,482,757**	**8,187,144**
Cash equivalents	-	
Term deposits with RK NB	518,928,045	316,664,383
Term deposits with other banks	-	9,010,781
Provision for expected credit losses	(14,853)	(9,211)
Total cash and cash equivalents	**529,876,309**	**335,979,749**

The credit ratings are presented in accordance with the standards of the rating agency Standard & Poor's or similar standards of other international rating agencies. Cash and cash equivalents are not past due.

Requirements for minimum reserves

As of 31 December 2024 and 2023, in accordance with the NBK resolution, minimum reserve requirements are calculated as the average of the amounts of certain shares of various groups of the Bank's liabilities for twenty-eight calendar days. Banks are required to comply with these requirements by maintaining average reserve assets (in the form of cash on hand in the national currency and balances on the bank's correspondent accounts with the National Bank in the national currency) in an amount equal to or exceeding the average minimum requirements. As of 31 December 2024 and 2023. The amount of the minimum reserve is 2,393,207 thousand tenge and 1,587,259 thousand tenge, respectively.

(in thousands of Kazakhstani tenge)

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Concentration of cash and cash equivalents

As of 31 December 2024, the Bank has one bank (31 December 2023: 3 banks), which accounts for more than 10% of the Bank's equity. The total amount of balances as of 31 December 2024 and 2023 is 520,933,600 thousand tenge and 330,078,507 thousand tenge, respectively.

11. ACCOUNTS AND DEPOSITS WITH BANKS

	31 December 2024	31 December 2023
Cash restricted in use	185,000	185,000
Provision for expected credit losses	(87)	(90)
Total accounts and deposits with banks	**184,913**	**184,910**

As of 31 December 2024 and 2023, accordingly, the Bank had no deposits that would exceed 10% of the Bank's equity.

12. LOANS GRANTED TO CUSTOMERS

	31 December 2024	31 December 2023
Loans granted to corporate customers		
- Loans granted to large-scale businesses	*15,983,905*	*6,978,987*
- Loans granted to small and medium-sized businesses	*49,754,558*	*31,619,646*
Total loans granted to corporate customers	**65,738,463**	**38,598,633**
Provision for impairment	(244,447)	(285,658)
Total loans granted to corporate customers, subject to provision for impairment	**65,494,016**	**38,312,975**
Loans granted to retail customers		
- Consumer credits	*12,516,588*	*9,807,648*
Total loans granted to retail customers	**12,516,588**	**9,807,648**
Provision for impairment	(60,318)	(5,506)
Total loans granted to retail customers, subject to provision for impairment	**12,456,270**	9,802,142
Total loans granted to customers less provision	**77,950,286**	**48,115,117**

(in thousands of Kazakhstani tenge)

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(a) Quality of loans granted to customers

The table below provides information on quality of loans granted to customers as of 31 December 2024:

	Loans before provision for impairment	Provision for impairment	Loans less provision for impairment	Loss from impairment to total loans before provision for impairment
Loans granted to corporate customers				
- undue	*64,750,180*	*(3,598)*	*64,746,582*	*0,01%*
- past due less than 90 days	*300,087*	*(4,238)*	*295,849*	*1,41%*
- past due more than 90 days	*688,196*	*(236,611)*	*451,585*	*34,38%*
Total loans granted to corporate customers	**65,738,463**	**(244,447)**	**65,494,016**	**0,37%**
Loans granted to retail customers				
- undue	*12,343,133*	*(14,346)*	*12,328,787*	*0,12%*
- past due less than 90 days	*97,592*	*(111)*	*97,481*	*0,11%*
- past due more than 90 days	*75,863*	*(45,861)*	*30,002*	*60,45%*
Total loans granted to retail customers	**12,516,588**	**(60,318)**	**12,456,270**	**0,48%**

The table below provides information on quality of loans granted to customers as of 31 December 2023:

	Loans before provision for impairment	Provision for impairment	Loans less provision for impairment	Loss from impairment to total loans before provision for impairment
Loans granted to corporate customers				
- undue	*37,843,886*	*(11,801)*	*37,832,085*	*0,03%*
- past due less than 90 days	*146,523*	*(29,490)*	*117,033*	*20,13%*
- past due more than 90 days	*608,224*	*(244,367)*	*363,857*	*40,18%*
Total loans granted to corporate customers	**38,598,633**	**(285,658)**	**38,312,975**	**0,74%**
Loans granted to retail customers				
- undue	*9,765,968*	*(5,180)*	*9,760,788*	*0,05%*
- past due less than 90 days	*10,970*	*(4)*	*10,966*	*0,04%*
- past due more than 90 days	*30,710*	*(322)*	*30,388*	*1,05%*
Total loans granted to retail customers	**9,807,648**	**(5,506)**	**9,802,142**	**0,06%**

The amount of the provision for impairment in 2024 includes the creation of provisions for loans assessed on an individual basis in the amount of 286,358 thousand tenge (31 December 2023: 276,124 thousand tenge), provision for collective impairment in the amount of 18,407 thousand tenge (31 December 2023: 15,040 thousand tenge).

As of 31 December 2024, as part of the loan portfolio, loans issued to corporate and retail customers, the terms of which have been changed and which would otherwise be overdue or impaired, amount to 496,880 thousand tenge (31 December 2023: 835,382 thousand tenge).

(b) Estimates of expected credit losses

For issued loans, the calculation of expected credit losses takes into account the possible estimated effect of changes in macroeconomic parameters on forecast cash flows, migration of collective loans and collateral coverage.

When measuring the level of credit losses, the Bank uses sound forward-looking information, which is based on assumptions about the future movement of various economic factors and how these factors will affect each other.

The key inputs used to estimate expected credit losses include the following:

- Probability of default (PD) is a key input in measuring the level of credit losses. The probability of default is an estimate over a given time horizon the calculation of which includes historical data, assumptions and expectations of future conditions.

The probability of default on individual loans of corporate, small and medium-sized businesses is assessed using an internal rating model based on the quantitative and qualitative characteristics of a borrower. The probability of default on loans granted that are measured on a collective basis is calculated on the basis of historical data by applying the migration matrices.

- Loss given default (LGD) is an estimate of the loss that will arise in case of default. It is based on a difference between the cash flows due under the contract and those that a lender would expect to receive taking into account the cash flows from the collateral.

The LGD for loans granted that are measured on a collective basis is calculated on the basis of an assessment of the recoverability of liabilities in the event of disposal of a collateral using discount periods corresponding to the terms of disposal of collateral.

- The amount of a credit exposure at risk of default (EAD) is an estimate of risk at a future date of default taking into account expected changes in risk after the reporting date, including repayments of principal and interest, as well as expected drawdowns of approved credit funds. The Bank's approach to modelling this indicator takes into account the expected changes in the outstanding amount during the maturity period that are permitted by the current contractual terms such as amortization profiles, prepayments or overpayments, changes in the use of undrawn amounts on credit liabilities, and measures taken to mitigate risks before the default. To assess credit exposures at risk of default, the Bank uses models that reflect the characteristics of the respective portfolios.

The ECL provisions for loans granted in the financial statements have been determined based on the prevailing economic and political conditions. The Bank cannot predict what changes in conditions will occur in the Republic of Kazakhstan and what effect these changes will have on the adequacy of provisions for ECLs of financial assets in future periods.

(c) Analysis of collateral and other credit enhancements

(i) Loans granted to corporate customers

The loans granted to corporate customers are subject to individual measurement and impairment testing. The overall creditworthiness of a corporate customer is usually the most important indicator of the quality of the loan granted to it. However, the collateral means additional guarantees, and the Bank usually asks corporate borrowers to provide the same.

(in thousands of Kazakhstani tenge)

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The tables below provide information on collateral and other credit enhancements for loans to corporate customers by type of collateral:

31 December 2024	Carrying amount of loans granted to customers	Fair value of collateral measured at the reporting date	Fair value of collateral measured at a date of loan issuance	Not measured fair value of collateral
Loans with no individual indicators of impairment				
Corporate guarantees (provided by related parties having credit rating of A- or higher)				
Other guarantees (provided by companies having credit rating of A or higher)	36,817,399	-	-	36,817,399
Immovable property	19,010,233	19,010,233	-	19,010,233
Cash and deposits	2,144,536	2,144,536	-	-
Other collateral	-	-	-	-
	6,363,645	-	6,363,645	-
Loans with individual indicators of impairment	**64,335,813**	**21,154,769**	**6,363,645**	**55,827,632**
Corporate guarantee (provided by related party having credit rating of A- to A+)				
Immovable property	183,421	183,421	-	-
Other collateral	974,782	-	974,782	-
	1,158,203	**183,421**	**974,782**	**-**
Total loans granted to corporate customers	**65,494,016**	**21,338,190**	**7,338,427**	**55,827,632**

31 December 2023	Carrying amount of loans granted to customers	Fair value of collateral measured at the reporting date	Fair value of collateral measured at a date of loan issuance	Not measured fair value of collateral
Loans with no individual indicators of impairment				
Corporate guarantees (provided by related parties having credit rating of A- or higher)	28,919,996	-	-	28,919,996
Other guarantees (provided by companies having credit rating of A or higher)				
Immovable property	3,763,434	3,763,434	-	-
Cash and deposits	20,003	20,003	-	-
Other collateral	4,570,648	-	4,570,648	-
	37,274,081	**3,783,437**	**4,570,648**	**28,919,996**
Loans with individual indicators of impairment				
Corporate guarantee (provided by related party having credit rating of A- to A+)				
Immovable property	585,910	585,910	-	-
Other collateral	452,984	-	452,984	-
	1,038,894	**585,910**	**452,984**	**-**
Total loans granted to corporate customers	**38,312,975**	**4,369,347**	**5,023,632**	**28,919,996**

The tables above exclude the cost of overcollateralization.

Because the ability to recover undue and non-impaired loans granted to corporate customers depends in a greater degree on the creditworthiness of a borrower than on the value of collateral, the Bank does not always estimate the value of collateral at each reporting date.

For most loans, the fair value of the collateral was measured at the reporting date. Information about the value of collateral is presented depending on the date on which it was measured, if such a measurement is made.

For loans with several types of collateral, information is disclosed by the type of collateral that is the most significant for collateral measurement.

(in thousands of Kazakhstani tenge)

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(ii) Loans granted to retail customers

The loans granted to retail customers are mainly collaterized with residential properties. According to the Bank's policy, the ratio between the loan amount and the value of the collateral on the date of loan issuance should be limited to 60%.

The tables below provide information on the collateral of loans granted to retail customers:

	Carrying amount of loans granted to customers	Fair value of collateral - for collateral measured at the reporting date
31 December 2024		
Undue	12,328,787	12,328,787
Overdue	127,483	127,483
Total loans granted to retail customers	**12,456,270**	**12,456,270**
31 December 2023		
Undue	9,760,788	9,760,788
Overdue	41,354	41,354
Total loans granted to retail customers	**9,802,142**	**9,802,142**

The tables above exclude the cost of overcollateralization.

(d) Analysis of loan portfolio by branches of economy and geographical areas

The loans were granted mainly to customers conducting activities in the Republic of Kazakhstan in the following sectors of the economy:

	31 December 2024	31 December 2023
Finances	53,360,640	29,253,535
Loans granted to retail customers	12,456,270	9,802,142
Immovable property	3,924,632	833,792
Trade	1,744,600	1,942,538
Provision of individual services	613,922	795,004
Construction	498,618	615,015
Other professional, scientific and technical activities	423,564	407,582
Transport	272,640	305,640
Lease and hiring	249,852	257,891
Specialized construction works	135,701	149,968
Warehousing and auxiliary transportation activities	134,552	283,862
Food stuff production	130,744	143,834
Advertising activities	54,280	175,827
Printing and reproducing recorded materials	-	1,171
Other	3,950,271	3,147,316
Total loans granted to corporate customers	**77,950,286**	**48,115,117**

Concentration of loans granted to customers

As of 31 December 2024, the Bank has three borrowers whose loan balances amount more than 10% of the capital (31 December 2023: three borrowers). The total amount of loan balances of the specified borrowers as of 31 December 2024 is 52,801,304 thousand tenge (31 December 2023: 28,919,996 thousand tenge).

(in thousands of Kazakhstani tenge)

13. FINANCIAL ASSETS AT AMORTIZED COST

	31 December 2024	31 December 2023
Held by the Bank		
- Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	*53,142,463*	*17,569,375*
- Notes of the National Bank of the Republic of Kazakhstan	*-*	*70,544,158*
Provision for expected credit losses	(19,035)	(5,847)
Total financial assets at amortized cost	**53,123,428**	**88,107,686**

As of 31 December 2024, the entire amount of investments held to maturity is represented by Treasury bills of the Ministry of Finance of the Republic of Kazakhstan. As of 31 December 2023, the entire amount of investments held to maturity is represented by Treasury bills of the Ministry of Finance of the Republic of Kazakhstan and notes of the National Bank of the Republic of Kazakhstan in tenge, and having a credit rating of "BBB-".

In accordance with the Bank's business model, management has the intention and ability to hold these securities until maturity. Officially published price quotes for similar debt securities with identical terms are available on the local stock exchange.

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

The probability of default on treasury transactions is determined according to the data of Default Study from the international rating agencies (S&P, Fitch, Moody's), which publish tabular data with the values of default probabilities. Default probabilities are kept up to date and updated from time to time as default statistics are updated.

The level of loss given default (LGD) for treasury transactions is determined according to the data of the Default Study from the international rating agencies (S&P, Fitch, Moody's) and depends on the type of debt on a financial asset: senior secured/unsecured, subordinated, sovereign. LGD can also be adjusted if the asset is secured, as well as if there are indicators of impairment of a financial asset (Stage 2 or Stage 3).

14. NON-CURRENT ASSETS HELD FOR SALE

As of 31 December 2024, the carrying amount of non-current assets held for sale amounted to 155,691 thousand tenge (31 December 2023: 155,691 thousand tenge). According to the valuation by the independent appraiser LLP "GaMa Group" (Certificate No. 00170 dated 01.01.2020, BIN 160840018855), the market value of non-current assets held for sale as of the end of 2024 amounted to 342,265 thousand tenge (as of the end of 2023: 340,605 thousand tenge). The non-current assets held for sale represent assets that the Bank acquired as repayment for outstanding loans issued to customers. The sale of these properties was delayed due to legal proceedings related to the forced eviction of the previous owners, which were only finalized in May 2024. The Bank has developed a disposal plan, under which the sale of these assets is expected to be completed within the next 12 months. The non-current assets held for sale were recognized at their purchase price, as determined during the auction process.

(in thousands of Kazakhstani tenge)

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15. OTHER ASSETS

	31 December 2024	31 December 2023
Spot transaction claims	682,625	327,152
Accrued penalties and fines	445,138	129,352
Settlement of payments on card accounts	228,877	78,626
Other assets	9,461	5,290
Provision for expected credit losses	(196,947)	(159)
Total other financial assets	**1,169,154**	**540,261**
Other prepayments	57,181	92,409
Prepaid lease	33,634	31,505
Security deposit	31,633	26,637
Receivables from employees	30,359	8,193
Deferred expenses	6,291	6,301
Other taxes prepaid in budget	1,901	6,136
Fee for software	-	2,378
Other assets	6,148	21,124
Provision for expected credit losses	(1,200)	(600)
Total other non-financial assets	**165,947**	**194,083**
Total other assets	**1,335,101**	**734,344**

16. CURRENT ACCOUNTS AND DEPOSITS OF CUSTOMERS

	31 December 2024	31 December 2023
Current accounts and deposits on demand		
- Retail customers	*3,549,012*	*2,127,277*
- Corporate customers	*19,964,439*	*8,787,904*
Total current accounts and deposits on demand	**23,513,451**	**10,915,181**
Term deposits		
- Retail customers	*5,139,724*	*6,417,251*
- Corporate customers	*537,732,511*	*402,703,003*
Total term deposits	**542,872,235**	**409,120,254**
Total current accounts and deposits of customers	**566,385,686**	**420,035,435**

Blocked amounts

As of 31 December 2024, the deposits of the Bank's customers in the amount of 147,628 thousand tenge (31 December 2023: 115,522 thousand tenge) serve as collateral for liabilities on loans granted to customers and off-balance credit instrument provided by the Bank.

Concentration of current accounts and deposits of customers

As of 31 December 2024, the Bank has four customers (31 December 2023: three), whose accounts and deposits exceed 10% of equity. The total balance as of 31 December 2024 amounted to 520,180,778 thousand tenge (31 December 2023: 386,915,568 thousand tenge).

17. LOANS FROM INTERNATIONAL FINANCIAL ORGANIZATIONS

	31 December 2024	31 December 2023
Loan from EBRD	14,058,073	7,023,267
Total loans from international financial organizations	**14,058,073**	**7,023,267**

(in thousands of Kazakhstani tenge)

In 2020, the Bank entered into two loan agreements with the European Bank for Reconstruction and Development (EBRD):

- Loan Agreement No. 50791 dated 13 February 2020, to support small and medium-sized businesses in tenge, equivalent to USD 10,000,000, with the first tranche repayment due by 29 September 2025, and the second tranche by 29 April 2027.

- Loan Agreement No. 50792 dated 13 February 2020, for the development of the "Women in Business" project in tenge, equivalent to USD 5,000,000, with the first tranche repayment due by 29 September 2025, and the second tranche by 29 April 2027.

Under these agreements, the first tranche was received in 2020, and the second tranche was received in 2022.

In 2021, the Bank entered into one loan agreement with the EBRD:

- Loan Agreement No. 52817 dated 10 December 2021, under the Green Economy Financing Facility (GEFF) program in tenge, equivalent to USD 5,000,000, with repayment due by 24 June 2027.

The entire amount was received in tenge during 2022.

In 2024, the Bank entered into three loan agreements with the EBRD:

- Loan Agreement No. 54306 dated 12 December 2023, under the "Youth in Business" program in tenge, equivalent to USD 8,000,000, with the first tranche repayment due by 20 March 2028.
- Loan Agreement No. 54986 dated 17 April 2024, to support small and medium-sized businesses in tenge, equivalent to USD 12,000,000, with the first tranche repayment due by 18 July 2028.
- Loan Agreement No. 55639 dated 21 October 2024, under the Green Economy Financing Facility (GEFF) program in tenge, equivalent to USD 20,000,000, with the first tranche repayment due by 26 November 2027.

The first tranches under all three agreements were received in 2024.

Interest on the loans is calculated at a floating rate and paid on a quarterly basis in accordance with the terms of the agreements. As of the end of the reporting period, the interest rates for Loan Agreements dated 1 July 2020: 10.95%; dated 1 February 2022: 11.35%; dated 24 June 2022: 11.45%; dated 20 March 2024: 16.25%; dated 18 July 2024: 12.08%; dated 26 November 2024: 13.64%;

The Bank is required to comply with certain financial obligations under the terms of the above-mentioned loan agreements. These obligations include agreed-upon ratios used for financial performance indicators. As of 31 December 2024, and 31 December 2023, the Bank had not violated any of these obligations.

Movements of liabilities due to financing activities

The table below shows the changes in liabilities as a result of financial activities, including both changes due to cash flows and changes not related to cash flows. Liabilities due to financing activities are those liabilities the cash flows of which have been or will be classified as cash flows from financing activities in the statement of cash flows.

	2024	**2023**
Balance at the beginning of the year	7,023,267	8,230,594
Disposal	(2,597,946)	(1,185,988)
Receipt	9,640,500	-
Other changes	(7,748)	(21,339)
Balance at the end of the year	**14,058,073**	**7,023,267**

* Other changes include interest expenses and paid interest.

(in thousands of Kazakhstani tenge)

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18. OTHER LIABILITIES

	31 December 2024	31 December 2023
Liabilities on sport transactions	682,643	244,500
Liabilities on lease	152,150	329,000
Payables from suppliers	133,106	70,649
Banking transactions payable	14,460	11,920
Other liabilities	4,513	5,307
Total other financial liabilities	**986,872**	**661,376**
Settlement of taxes and other compulsory payments in budget	477,791	409,056
Other transit accounts	219,253	92,637
Payables to employees	102,473	39,442
Provision for leaves	48,494	68,834
Other liabilities	2,104	8,737
Total other non-financial liabilities	**850,115**	**618,706**
Total other liabilities	**1,836,987**	**1,280,082**

19. SHARE CAPITAL

(a) Issued and additional paid-up capital

The authorized, issued and outstanding share capital of the Bank consists of 1,002,872 ordinary shares (2023: 1,002,872 ordinary shares). A par value of all shares amounts to 10,000 tenge.

Holders of ordinary shares are entitled to receive dividends as they are declared, as well as they have the right to one vote per share at annual and general meetings of shareholders of the Bank.

(b) Earnings per share

	31 December 2024	31 December 2023
Net earnings for the year	35,707,248	25,217,705
Quantity of issued ordinary shares	1,002,872	1,002,872
Basic and diluted earnings per share, tenge	**35,604.99**	**25,145.49**

The Bank's ordinary shares are not traded in public market, however, the Bank has independently chosen to disclose information on the net earnings per share calculated in accordance with the requirements of IAS 33 *Earnings per Share*.

(c) Provision for revaluation of financial assets at fair value through other comprehensive income that are available for sale

Provision for revaluation of financial assets available for sale includes accumulated net change in fair value until derecognition.

(d) Dividend

The Bank's ability to declare and pay dividends is determined in accordance with the requirements of the legislation of the Republic of Kazakhstan.

Dividend on ordinary shares is recognized as a distribution of retained earnings for the period for which it is accrued. At the time of issue of the financial statements for 2024, no dividend has been declared yet (2023: no dividend has been declared).

20. RISK MANAGEMENT

Risk management underlies banking activities and is an essential element of the operating activities of the Bank. Market risk, credit risk and liquidity risk are the main risks that the Bank faces in the course of its activities.

(a) Risk management policies and procedures

The Bank's risk management policy is aimed at identifying, analysing and managing the risks to which the Bank is exposed, at setting risk limits and related controls, as well as at continuously assessing the level of risks and their conformance to the established limits. Risk management policies and procedures are reviewed on a regular basis to reflect changes in the market environment, banking products and services offered, and emerging best practices.

The Board of Directors of the Bank is responsible for the proper functioning of the risk management control system, for managing key risks and approving risk management policies and procedures, as well as for approving major transactions.

The Management Board of the Bank is responsible for monitoring and implementing risk mitigation measures, as well as ensuring that the Bank conducts activities within established risk limits. The Management Board of the Bank is responsible for overall risk management and control of compliance with the requirements of the current legislation, as well as overseeing the application of general principles and methods for identifying, assessing, managing and reporting both financial and non-financial risks.

Credit and market risks and liquidity risk are managed and controlled by the Credit Committee and the Committee for Assets and Liabilities Management (CALM) both at the level of the portfolio as a whole and at the level of individual transactions.

Both external and internal risk factors are identified and managed within the organization. Particular attention is paid to identifying the entire list of risk factors and determining the level of sufficiency of current risk minimization procedures.

In addition to the standard analysis of credit and market risks, the Management Board of the Bank monitors financial and non-financial risks by holding regular meetings with operating units in order to obtain an expert opinion on individual management Boards.

(b) Market risk

Market risk is the risk of changes in the fair value or future cash flows of a financial instrument due to changes in market prices. Market risk consists of foreign exchange risk, interest rate risk, as well as other price risks. Market risk arises from open positions in interest, currency and equity financial instruments that are affected by general and specific market movements and changes in the level of market price volatility.

The objective of market risk management is to manage and control that exposure to market risk does not go beyond acceptable parameters, while ensuring the optimization of the return received for the risk taken. The CALM headed by the Chairman is responsible for managing market and liquidity risks. The CALM approves market and liquidity risk limits based on recommendations from the Risk Management Division.

The Bank manages market risk by setting limits on the open position in relation to the amount of the portfolio for individual financial instruments, the timing of changes in interest rates, currency position, loss limits and regular monitoring of their compliance with the results to be reviewed and approved by the Management Board.

(in thousands of Kazakhstani tenge)

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will change due to changes in market interest rates. The Bank is exposed to the effects of fluctuations in the prevailing market interest rates on its financial position and cash flows. Such fluctuations may increase the level of interest margin, but may also reduce it, or, in the event of an unexpected change in interest rates, lead to losses.

Interest rate risk is primarily managed by monitoring changes in interest rates.

Analysis of timing to review interest rates

Interest rate risk is primarily managed by monitoring changes in interest rates. Brief information regarding the timing to review the interest rates for major interest-bearing financial instruments as of 31 December 2024 can be presented as follows:

	Less than 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Interest-free	Total
ASSETS							
Cash and cash equivalents	518,914,668	-	-	-	-	10,961,641	529,876,309
Accounts and deposits with banks	-	-	-	-	-	184,913	184,913
Loans granted to customers	1,626,008	2,666,226	39,850,102	24,409,655	9,398,295	-	77,950,286
Financial assets at amortized cost	3,395,417	4,970,173	13,363,461	31,394,377	-	-	53,123,428
Total assets	**523,936,093**	**7,636,399**	**53,213,563**	**55,804,032**	**9,398,295**	**11,146,554**	**661,134,936**
LIABILITIES							
Accounts and deposits of banks	-	-	-	-	-	(506,316)	(506,316)
Current accounts and deposits of customers	(521,120,263)	(9,508,559)	(13,936,736)	(138,468)	-	(21,681,660)	(566,385,686)
Loans from international financial institutions	(5,079,708)	(2,404,379)	(6,573,986)	-	-	-	(14,058,073)
Total liabilities	**(526,199,971)**	**(11,912,938)**	**(20,510,722)**	**138,468**	**-**	**(22,187,976)**	**(580,950,075)**
Total net position	**(2,263,878)**	**(4,276,539)**	**32,702,841**	**55,665,564**	**9,398,295**	**(11,041,422)**	**80,184,861**

(in thousands of Kazakhstani tenge)

Brief information regarding the timing to review the interest rates for major interest-bearing financial instruments as of 31 December 2023 can be presented as follows:

	Less than 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Interest-free	Total
ASSETS							
Cash and cash equivalents	325,666,988	-	-	-	-	10,312,761	335,979,749
Accounts and deposits with banks	-	-	-	-	-	184,910	184,910
Loans granted to customers	615,004	2,279,640	22,442,744	16,143,616	6,634,113	-	48,115,117
Financial assets at amortized cost	72,684,315	7,150,279	3,457,925	4,815,167	-	-	88,107,686
Total assets	**398,966,307**	**9,429,919**	**25,900,669**	**20,958,783**	**6,634,113**	**10,497,671**	**472,387,462**
LIABILITIES							
Accounts and deposits of banks	-	-	-	-	-	(348,438)	(348,438)
Current accounts and deposits of customers	(382,442,312)	(11,034,379)	(16,888,761)	(24,992)	-	(9,644,991)	(420,035,435)
Loans from international financial institutions	(89,999)	(4,618,783)	(2,314,485)	-	-	-	(7,023,267)
Total liabilities	**(382,532,311)**	**(15,653,162)**	**(19,203,246)**	**(24,992)**	**-**	**(9,993,429)**	**(427,407,140)**
Total net position	**16,433,996**	**(6,223,243)**	**6,697,423**	**20,933,791**	**6,634,113**	**504,242**	**44,980,322**

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Average effective interest rates

The following table presents average effective interest rates for interest-bearing assets and liabilities as of 31 December 2024 and 2023:

	2024 Average effective interest rate, %		2023 Average effective interest rate, %	
	Tenge	US dollar	Tenge	US dollar
Interest-bearing assets				
Cash and cash equivalents	15.23	3.05	15.68	2.58
Accounts and deposits with banks	-	-	14.09	-
Loans granted to customers	17.74	6.22	18.55	6.6
Financial assets at amortized cost	12.06	-	14.64	-
Interest-bearing liabilities				
Current accounts and deposits of banks				
- Term deposits	11.16	0.50	10.96	0.50
Loans from international financial organizations	13.62	-	12.88	-

Analysis of sensitivity to changes in interest rates

Interest rate risk management based on interest rate review timing is complemented by sensitivity monitoring of financial assets and liabilities. The analysis of sensitivity of net income or loss and equity of the Bank (less taxes) to changes in interest rates (interest rate review risk) based on a simplified scenario of a parallel shift of yield curves by 100 basis points towards increasing or decreasing interest rates and renegotiated positions on interest-bearing assets and liabilities effective as of 31 December 2024 and 2023 can be presented as follows:

	2024		2023	
	Profit or loss	Equity	Profit or loss	Equity
100 basis point parallel shift toward decreasing rates	(52,242)	-	(104,598)	-
100 basis point parallel shift toward increasing rates	52,242	-	104,598	-

(ii) Currency risk

The Bank has assets and liabilities denominated in several foreign currencies.

Foreign exchange risk is the risk of a change in the fair value or future cash flows of a financial instrument due to changes in the currency exchange rates. Despite the fact that the Bank hedges its exposure to foreign exchange risk, such transactions do not match the definition of a hedging relationship in accordance with the IFRSs.

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The structure of financial assets and liabilities in terms of currency as of 31 December 2024 can be represented as follows:

	Tenge	US dollar	Euro	Russian rouble	Other	Total
ASSETS						
Cash and cash equivalents	494,892,794	34,423,336	540,975	17,719	1,485	529,876,309
Accounts and deposits with banks	184,913	-	-	-	-	184,913
Loans granted to customers	77,536,043	414,243	-	-	-	77,950,286
Financial assets at amortized cost	53,123,428	-	-	-	-	53,123,428
Other financial assets	1,149,498	19,656	-	-	-	1,169,154
Total assets	**626,886,676**	**34,857,235**	**540,975**	**17,719**	**1,485**	**662,304,090**
LIABILITIES						
Accounts and deposits of banks	(48,010)	(452,350)	(5,956)	-	-	(506,316)
Current accounts and deposits of customers	(532,308,905)	(33,526,434)	(532,285)	(18,062)	-	(566,385,686)
Loans from international financial organizations	(14,058,073)	-	-	-	-	(14,058,073)
Other financial liabilities	(188,973)	(797,808)	(91)	-	-	(986,872)
Total liabilities	**(546,603,961)**	**(34,776,592)**	**(538,332)**	**(18,062)**	**-**	**(581,936,947)**
Net position	**80,282,715**	**80,643**	**2,643**	**(343)**	**1,485**	**80,367,143**

The structure of financial assets and liabilities in terms of currency as of 31 December 2023 can be represented as follows:

	Tenge	US dollar	Euro	Russian rouble	Other	Total
ASSETS						
Cash and cash equivalents	317,712,280	18,031,169	205,666	30,381	253	335,979,749
Accounts and deposits with banks	184,910	-	-	-	-	184,910
Loans granted to customers	47,948,060	167,057	-	-	-	48,115,117
Financial assets at amortized cost	88,107,686	-	-	-	-	88,107,686
Other financial assets	205,410	325,895	-	-	8,956	540,261
Total assets	**454,158,346**	**18,524,121**	**205,666**	**30,381**	**9,209**	**472,927,723**
LIABILITIES						
Accounts and deposits of banks	(23,159)	(323,529)	(1,750)	-	-	(348,438)
Current accounts and deposits of customers	(401,409,692)	(18,393,602)	(203,057)	(29,084)	-	(420,035,435)
Loans from international financial organizations	(7,023,267)	-	-	-	-	(7,023,267)
Other financial liabilities	(611,177)	(50,116)	(83)	-	-	(661,376)
Total liabilities	**(409,067,295)**	**(18,767,247)**	**(204,890)**	**(29,084)**	**-**	**(428,068,516)**
Net position	**45,091,051**	**(243,126)**	**776**	**1,297**	**9,209**	**44,859,207**

The impact on pre-tax profit and equity based on the value of financial assets is calculated using exchange rate volatility analysis. As of 31 December 2024 and 2023, according to the Bank's management, a possible exchange rate movement is 15%.

A decrease in the tenge exchange rate, as shown below, against the indicated currencies as at 31 December 2024 and 2023 would have increased (decreased) equity and profit or loss by the amounts indicated below. This analytical information is presented net of tax and is based on currency exchange rate fluctuations that the Bank considered reasonably possible at the end of the reporting period. The analysis was carried out based on the assumption that all other variables, in particular remuneration rates, remain unchanged.

(in thousands of Kazakhstani tenge)

	2024		2023	
	Profit or loss	Equity	Profit or loss	Equity
15% increase in US dollar/tenge rate	9,677	9,677	(29,175)	(29,175)
15% increase in Euro/tenge rate	317	317	93	93
15% increase in Russian rouble/tenge rate	(41)	(41)	156	156

(c) Credit risk

Credit risk is the risk of financial loss arising from a default on obligations by a borrower or counterparty of the Bank. The Bank manages credit risk (on recognized financial assets and unrecognized contractual liabilities) through the application of approved policies and procedures, including requirements for setting and keeping the credit risk concentration limits, as well as through the establishment of a Credit Committee, whose functions include active monitoring of credit risk. The credit policy is reviewed and approved by the Board of Directors.

The credit policy establishes:

- procedures for consideration and approval of credit applications;
- methods for assessing the creditworthiness of borrowers (corporate customers and individuals);
- methods for assessing the creditworthiness of counterparties;
- methods for assessing the proposed collateral;
- requirements for credit documentation; and
- procedures for ongoing monitoring of loans and other products bearing credit risk.

Loan applications from corporate customers are drafted by the respective to customer account managers and then passed for consideration by the Lending Division, which is responsible for the portfolio of loans granted to legal entities. The reports of analysts of this Division are based on a structural analysis of the business and financial position of a borrower. Applications and reports are then independently reviewed by the Risk Management Division, which issues the second opinion; at the same time, the proper satisfaction of the requirements of the credit policy is checked. The Credit Committee approves loan applications based on documents provided by the Lending Division, Integrated Security Department, Collateral Valuation Department, Legal and Risk Management Divisions.

The Bank constantly monitors the status of individual loans and reassesses the solvency of its borrowers on a regular basis. Reassessment procedures are based on an analysis of the borrower's financial statements at the latest reporting date or other information provided by the borrower itself or otherwise obtained by the Bank. At the same time, the decision to grant each loan is made by the Credit Committee after all the necessary procedures have been completed, which in turn allows controlling the entire credit process with a small number of incoming applications.

In addition to analysing individual borrowers, the Risk Management Division assesses the loan portfolio as a whole in terms of concentration of loans and market risks.

The maximum level of credit risk is generally reflected in the carrying amount of financial assets in the statement of financial position and in the amount of unrecognized contractual liabilities. The ability to offset assets and liabilities is not essential to minimize potential credit risk.

Organizations in the banking sector are generally exposed to credit risk arising from financial assets and contingent liabilities. The Bank's credit risk is concentrated in the Republic of Kazakhstan. The degree of credit risk is subject to constant monitoring in order to ensure compliance with credit limits and creditworthiness in accordance with the risk management policy approved by the Bank.

(in thousands of Kazakhstani tenge)

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The maximum level of exposure to credit risk in relation to financial assets at the reporting date can be presented as follows:

	31 December 2024	31 December 2023
ASSETS		
Cash and cash equivalents	529,876,309	335,979,749
Accounts and deposits with banks	184,913	184,910
Loans granted to customers	77,950,286	48,115,117
Financial assets at amortized cost	53,123,428	88,107,686
Other financial assets	1,169,154	540,261
Total maximum exposure to credit risk	**662,304,090**	**472,927,723**

31 December 2024	Stage 1 On a group basis	Stage 2 On a group basis	Stage 3 On a group basis	Stage 3 Individually	Total
Cash and cash equivalents	529,876,309	-	-	-	529,876,309
Accounts and deposits with banks	184,913	-	-	-	184,913
Loans granted to customers	74,024,655	2,314,921	54,646	1,556,064	77,950,286
Financial assets at amortized cost	53,123,428	-	-	-	53,123,428
Other financial assets	1,169,154	-	-	-	1,169,154
Total assets	**658,378,459**	**2,314,921**	**54,646**	**1,556,064**	**662,304,090**

31 December 2023	Stage 1 On a group basis	Stage 2 On a group basis	Stage 3 On a group basis	Stage 3 Individually	Total
Cash and cash equivalents	335,979,749	-	-	-	335,979,749
Accounts and deposits with banks	184,910	-	-	-	184,910
Loans granted to customers	45,119,387	1,094,636	107,769	1,793,325	48,115,117
Financial assets at amortized cost	88,107,686	-	-	-	88,107,686
Other financial assets	540,261	-	-	-	540,261
Total assets	**469,931,993**	**1,094,636**	**107,769**	**1,793,325**	**472,927,723**

An analysis of collateral on loans granted to customers and the concentration of credit risk on loans to customers is presented in Note 12.

The maximum level of exposure to credit risk in relation to unrecognized contractual obligations as of the reporting date is provided for in Note 20.

Significant increase in credit risk

The Bank monitors all of the financial assets that qualify for impairment requirements for significant increases in credit risk since initial recognition. If a significant increase in credit risk is detected, the Bank calculates the amount of an allowance based on the amount of credit losses expected during the entire loan term and not just the next 12 months.

The Bank uses estimates of credit risk as the main input in determining the timing structure of the probability of default for exposures. The Bank collects performance and default information on credit exposures analysed by jurisdiction or region, as well as by product type and borrower, as well as by credit risk classification. The information used is internal and external depending on the portfolio being assessed.

The Bank uses various criteria to determine whether the credit risk per portfolio of assets has increased significantly. Both quantitative and qualitative changes in the probability of default are used as criteria.

For loans granted that are measured collectively, a significant increase in credit risk is determined based on the increase in the probability of default over the entire loan term after initial recognition, using certain thresholds for segmented homogeneous portfolios and for loans overdue more than 30 days after initial recognition. For loans that are measured on an individual basis, additionally in case of a decrease in the external / internal credit rating by 2 (two) levels (presence of restructuring in case of deterioration of the financial condition for classification in Stage 3), the expert opinions of the Bank's specialists are based on changes in qualitative and quantitative indicators of a borrower, significant deterioration in collateral and other objective evidence of significant financial difficulties since initial recognition.

The third stage is determined for loans measured on a collective basis with an overdue debt period exceeding 60-90 days, for loans measured on an individual basis with an overdue over 60 days, restructuring associated with a deterioration in the financial condition, deterioration of the internal credit rating and expert opinion of the Bank's specialists.

The Bank's management believes that certain financial instruments with low credit risk did not have a significant increase in credit risk at the reporting date by applying this policy to financial instruments issued only to sovereign and financial institutions. A financial instrument is assumed to have a low credit risk when the external credit rating is equivalent to the definition of an 'investment grade' by the international rating agencies.

The Bank has implemented monitoring procedures to ensure that the criteria used to determine a significant increase in credit are effective, meaning that a significant increase in credit risk is identified prior to a risk default or when an asset becomes 30 days past due.

Provision of forward-looking information

The Bank uses forward-looking information, which is available without undue cost or effort, when estimating significant increase in credit risk, as well as when estimating expected credit losses.

The inclusion of forward-looking elements reflects the Bank's expectations. The Bank considers scenarios the number of which depends on the assessment of the likelihood of implementation, the significance of this scenario, changing circumstances and the macroeconomic environment.

The purpose of using scenarios is to model the non-linear impact of macroeconomic factors on expected credit losses.

The Bank identified and documented the key indicators affecting portfolios of financial instruments and, using statistical analysis of historical data, assessed the relationship between macroeconomic variables and credit risk and credit loss.

(d) Liquidity risk

Liquidity risk is the risk that the Bank may encounter difficulty in raising cash to settle its liabilities. Liquidity risk arises when maturities of assets and liabilities do not match. The matching and/or controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to liquidity risk management. Due to the variety of transactions settled and related uncertainty, the full matching of the maturities of assets and liabilities is not a common practice for financial institutions, which makes it possible to increase the return on transactions, while increasing the risk of losses.

The Bank maintains the necessary level of liquidity in order to ensure the constant availability of cash necessary to settle all liabilities as they fall due. The liquidity management policy is reviewed and approved by the Board of Directors. The Bank strives to actively maintain a diversified and stable structure of funding sources consisting of long-term loans from international financial organizations, short-term loans from other banks, deposits of major corporate customers and individuals, as well as a diversified portfolio of highly liquid assets to enable the Bank to respond quickly without sudden fluctuations to unforeseen liquidity requirements.

The section of the corporate risk management policy, which relates to liquidity risk management, consists of:

- forecasting the cash flows in the context of the main currencies and the calculation associated with these cash flows of the required level of liquid assets;
- maintaining a diversified structure of funding sources;
- management of the concentration and structure of borrowed funds;
- development of plans to raise funds using borrowed funds;
- maintaining a portfolio of highly liquid assets that can be freely sold as a protective measure in case of cash liquidity gap;
- developing reserve plans to maintain liquidity and set level of financing; and
- exercising control over the conformance of liquidity indicators to the legally established standards.

The Treasury receives information from the divisions on the liquidity structure of their financial assets and liabilities and on forecasting the cash flows expected from the planned future business.

The Treasury then forms an appropriate portfolio of current liquid assets consisting primarily of short-term liquid securities held for trade, deposits placed with banks, and other interbank products, in order to provide the necessary level of liquidity for the Bank as a whole.

The Treasury monitors the liquidity position on a daily basis and carries out 'stress tests' on a regular basis taking into account a variety of possible market scenarios under both normal and adverse conditions. Under normal market conditions, liquidity reports are provided to the top management on a weekly basis. Decisions on liquidity management policy are made by the CALM and executed by the Treasury.

The following tables show the undiscounted cash flows for financial assets, financial liabilities and contingent credit liabilities at the earliest contractual maturity date. The total receipts and disposals of cash flows shown in these tables are the contractual undiscounted cash flows of financial assets, liabilities or contingent credit liabilities. For issued financial guarantee contracts, the maximum amount of guarantees relates to the earliest period in which the guarantee can be used.

(in thousands of Kazakhstani tenge)

Analysis of financial liabilities in terms of maturity as of 31 December 2024 can be presented as follows:

	On-demand and less than 1 month	1-3 months	3-6 months	6-12 months	More than 1 year	Total disposal of cash flows	Carrying amount
Non-derivative financial liabilities							
Accounts and deposits of banks	506,316	-	-	-	-	506,316	506,316
Current accounts and deposits of customers	33,809,851	9,523,328	504,867,714	38,993,202	149,704	587,343,799	566,385,686
Loans from international financial organizations	1,247,753	780,746	2,247,071	3,214,907	9,060,279	16,550,756	14,058,073
Other financial liabilities	1,832,871	756	1,165	2,195	-	1,836,987	1,836,987
Total liabilities	**37,396,791**	**10,304,830**	**507,115,950**	**42,210,304**	**9,209,983**	**606,237,858**	**582,787,062**
Contingent credit liabilities	**5,456,631**	**-**	**-**	**-**	**-**	**5,456,631**	**5,456,631**
Total non-derivative financial liabilities	**42,853,422**	**10,304,830**	**507,115,950**	**42,210,304**	**9,209,983**	**611,694,489**	**588,243,693**

Analysis of financial liabilities in terms of maturity as of 31 December 2023 can be presented as follows:

	On-demand and less than 1 month	1-3 months	3-6 months	6-12 months	More than 1 year	Total disposal of cash flows	Carrying amount
Non-derivative financial liabilities							
Accounts and deposits of banks	348,438	-	-	-	-	348,438	348,438
Current accounts and deposits of customers	16,739,568	253,440,882	149,018,210	12,356,501	87,922	431,643,083	420,035,435
Loans from international financial organizations	346,653	333,472	1,135,209	1,868,681	6,140,199	9,824,214	7,023,267
Other financial liabilities	414,803	23,754	24,126	48,275	150,418	661,376	661,376
Total liabilities	**17,849,462**	**253,798,108**	**150,177,545**	**14,273,457**	**6,378,539**	**442,477,111**	**428,068,516**
Contingent credit liabilities	**7,954,210**	**-**	**-**	**-**	**-**	**7,954,210**	**2,248,488**
Total non-derivative financial liabilities	**25,803,672**	**253,798,108**	**150,177,545**	**14,273,457**	**6,378,539**	**450,431,321**	**430,317,004**

In accordance with the legislation of the Republic of Kazakhstan, depositors have the right to withdraw their term deposits from the Bank at any time, while in most cases they lose the right to receive accrued interest income. These deposits were presented based on the terms of their payment established in the agreements.

However, the management believes that regardless of the existence of an early withdrawal option and the fact that a significant portion of deposits are demand deposits, the diversification of these accounts and deposits by the number and types of depositors and the Bank's past experience are indications that these accounts represent a long-term and stable source of financing.

The management expects that cash flows in respect of certain financial assets and liabilities may differ from those specified in the contracts, either because the management is authorized to manage cash flows or because past experience indicates that the timing of cash flows of these financial assets and liabilities may differ from the terms set in the contracts.

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(in thousands of Kazakhstani tenge)

The table provides analysis in terms of maturities of amounts recognized in the statement of financial position as of 31 December 2024:

	On-demand and less than 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	No maturity date	Overdue	Total
Non-derivative assets								
Cash and cash equivalents	529,876,309	-	-	-	-	-	-	529,876,309
Accounts and deposits with banks	-	184,913	-	-	-	-	-	184,913
Loans issued to customers	1,325,153	2,666,226	39,850,102	24,409,655	9,398,295	-	300,855	77,950,286
Financial assets at amortized cost	3,395,417	4,970,173	13,363,461	31,394,377	-	-	-	53,123,428
Other assets	684,526	-	650,575	-	-	-	-	1,335,101
Total assets	**535,281,405**	**7,821,312**	**53,864,138**	**55,804,032**	**9,398,295**	**-**	**300,855**	**662,470,037**
Non-derivative financial liabilities								
Accounts and deposits of banks	(506,316)	-	-	-	-	-	-	(506,316)
Current accounts and deposits of customers	(33,815,302)	(9,508,559)	(522,923,357)	(138,468)	-	-	-	(566,385,686)
Loans from international financial organizations	(285,972)	(371,627)	(3,501,214)	(9,899,260)	-	-	-	(14,058,073)
Other liabilities	(1,832,871)	(756)	(3,360)	-	-	-	-	(1,836,987)
Total liabilities	**(36,440,461)**	**(9,880,942)**	**(526,427,931)**	**(10,037,728)**	**-**	**-**	**-**	**(582,787,062)**
Net position	**498,840,944**	**(2,059,630)**	**(472,563,793)**	**45,766,304**	**9,398,295**	**-**	**300,855**	**79,682,975**

(in thousands of Kazakhstani tenge)

The table provides analysis in terms of maturities of amounts recognized in the statement of financial position as of 31 December 2023:

	On-demand and less than 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	No maturity date	Overdue	Total
Non-derivative assets								
Cash and cash equivalents	335,979,749	-	-	-	-	-	-	335,979,749
Accounts and deposits with banks	-	184,910	-	-	-	-	-	184,910
Loans granted to customers	565,749	2,264,272	22,615,809	16,034,787	6,589,390	-	45,110	48,115,117
Financial assets at amortized cost	72,684,314	7,150,279	3,457,925	4,815,168	-	-	-	88,107,686
Other assets	534,971	860	2,582	1,848	-	-	-	540,261
Total assets	**409,764,783**	**9,600,321**	**26,076,316**	**20,851,803**	**6,589,390**	**-**	**45,110**	**472,927,723**
Non-derivative financial liabilities								
Accounts and deposits of banks	(348,438)	-	-	-	-	-	-	(348,438)
Current accounts and deposits of customers	(16,727,770)	(247,685,656)	(155,564,050)	(31,578)	(26,381)	-	-	(420,035,435)
Loans from international financial organizations	(337,962)	(231,327)	(2,100,984)	(4,352,994)	-	-	-	(7,023,267)
Other liabilities	(414,804)	(23,754)	(72,400)	(150,418)	-	-	-	(661,376)
Total liabilities	**(17,828,974)**	**(247,940,737)**	**(157,737,434)**	**(4,534,990)**	**(26,381)**	**-**	**-**	**(428,068,516)**
Net position	**391,935,809**	**(238,340,416)**	**(131,661,118)**	**16,316,813**	**6,563,009**	**-**	**45,110**	**44,859,207**

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21. CAPITAL MANAGEMENT

The RK NB sets and monitors compliance with the Bank's capital requirements.

The Bank defines as capital items that are defined in accordance with the legislation as items that constitute the capital of credit institutions. As of 31 December 2024, the minimum level of tier 1 capital to risk-weighted assets, contingent liabilities, operational and market risks is 0.09 (31 December 2023: 0.075), and the minimum level of total capital to risk-weighted assets, contingent liabilities, operational and market risks, is 0.105 (31 December 2023: 0.10).

As of 31 December 2024 and 2023, the Bank has fulfilled all regulatory capital requirements, while the tier 1 capital ratio to risk-weighted assets, contingent liabilities, operational and market risks as of 31 December 2024 is 1,964 (31 December 2023: 0.980), and The level of total capital to risk-weighted assets, contingent liabilities, operational and market risks is 1.964 (31 December 2023: 0.980).

22. CONTINGENT CREDIT LIABILITIES

(a) Contingent credit liabilities

The Bank issues bank guarantees and opens letters of credit in order to ensure the fulfilment of the obligations of its customers to third parties. These agreements fix liability limits and, as a rule, are valid for up to five years.

The Bank applies the same risk management policies and procedures in issuing financial guarantees, contingent credit liabilities and letters of credit as it does in granting loans to customers.

As at 31 December 2024, the Bank had outstanding contractual contingent liabilities for the provision of credit lines in the amount of 5,354,171 thousand tenge (31 December 2023: 7,860,511 thousand tenge) and guarantees and letters of credit issued in the amount of KZT 102,460 thousand (31 December 2023: 93,699 thousand tenge).

(b) Pending litigations

The management is not aware of any material actual or pending litigations, as well as potential claims that may be brought against the Bank.

(c) Insurance

The market of insurance services in the Republic of Kazakhstan is at the stage of development, therefore, many forms of insurance coverage used in other countries are not yet available in the Republic of Kazakhstan. The Bank did not maintain full insurance of buildings and equipment, suspension of business or in relation to the liability of third parties for property or environmental damage caused as a result of the use of the Bank's property.

The Bank has concluded a comprehensive insurance contract for banking risks from electronic and computer crimes. The insurer is Nomad Insurance Insurance Company JSC. The agreement is valid for 12 months from the date of signing.

Until the Bank adequately insures its activities, there is a risk that losses incurred and or loss of certain assets may have a material adverse effect on the activities and financial position of the Bank.

(in thousands of Kazakhstani tenge)

(d) Tax liabilities

The tax system of Kazakhstan is relatively new and it is characterized by frequent changes in legislation, official clarifications and court decisions that are often unclear and contradictory, which allows for their ambiguous interpretation by various tax authorities, including opinions regarding the treatment of income, expenses and other items of the financial statements in accordance with IFRSs. Checks and investigations regarding the correctness of tax assessment are carried out by regulatory authorities of different levels, which have the right to impose large penalties and charge interest. The correctness of tax assessment in the reporting period can be verified within the next five calendar years, however, under certain circumstances, this period may be extended.

These circumstances may lead to the fact that tax risks in Kazakhstan will be much higher than in other countries. Management believes that tax liabilities have been fully reflected in these financial statements based on management's interpretation of applicable tax laws, official comments on regulatory documents and decisions of judicial authorities. However, given the fact that interpretations of tax laws by various regulatory authorities may differ from opinion of the Bank's management, if enforcement action is taken by the regulatory authorities, the impact on the Bank's financial statements could be material.

23. RELATED PARTY TRANSACTIONS

Controlling relations

The Bank's parent company is Shinhan Bank JSC (Seoul, Republic of Korea). The parent company of the Bank prepares the financial statements available to external users.

The Bank's ultimate parent company is Shinhan Financial Group Co. Ltd, which is authorized to direct at its own discretion and in its own interests the activities of the Bank.

(b) Transactions with members of the Board of Directors and the Management Board

The total remuneration included in 'Personnel Expenses' for the years ended 31 December 2024 and 2023 can be presented as follows:

	2024	2023
Board of Directors	14,228	11,865
Management Board	287,880	322,607
	302,108	**334,472**

As of 31 December 2024 and 2023, account balances and average interest rates on transactions with members of the Board of Directors and Management Board amounted to:

Statement of financial position	31 December 2024	Average interest rate, %	31 December 2023	Average interest rate, %
Other assets	19,787	-	1,278	-
Current accounts and deposits	(10,594)	4.94	(43,116)	0.98
Other liabilities	(37,074)	-	(51,224)	-

(in thousands of Kazakhstani tenge)

The amounts included in profit or loss on transactions with members of the Board of Directors and the Management Board for the year ended 31 December may be presented as follows:

Statement of profit or loss and other comprehensive income	**2024**	**2023**
Foreign exchange gains	695	818
Fee income	227	233
Interest expenses	(675)	(603)
Other general and administrative expenses	(1,957)	(2,414)

(c) Transactions with other related parties

As of 31 December 2024 and 2023, account balances and the corresponding average interest rates, as well as the corresponding profit or loss on transactions with other related parties for the year then ended, amounted to:

	Parent bank		Other related parties	
Statement of financial position	**31 December 2024**	**Average interest rate, %**	**31 December 2024**	**Average interest rate, %**
ASSETS				
Cash and cash equivalents				
- Euro	-	-	35,556	-
- other currency	-	-	1,485	-
Loans granted to customers				
- tenge	-	-	24,938,630	15.26
Other assets				
- tenge	36,049	-	-	-
LIABILITIES				
Accounts and deposits of banks				
- tenge	(48,010)	-	-	-
- US dollar	(452,351)	-	-	-
- Euro	(5,956)	-	-	-
Current accounts and deposits of customers				
- tenge	-	-	(319,572)	6.09
- US dollar	-	-	(2,409)	0.02
Other liabilities				
- tenge	(421)	-	(59)	-
- US dollar	(107,855)	-	-	-
Items not recognized in the statement of financial position				
Received guarantees*				
- tenge	-	-	(3,850,000)	-
- US dollar	(14,960,384)	-	-	-
Credit facilities	-	-	-	-

Statement of profit or loss and other comprehensive income	Parent bank 2024	Parent bank Average interest rate,%	Other related parties 2024	Other related parties Average interest rate,%
(Loss)/income from foreign currency transactions	(22)	-	6,155	-
Interest income	-	-	2,846,100	-
Interest expenses	(36,736)	-	(16,420)	-
Fee income	2,153	-	8,930	-
Fee expenses	(66,765)	-	(2,039)	-
Other general and administrative expenses	(113,520)	-	(2,138)	-

*As of 31 December 2024, guarantees received include guarantees in the tenge and the US dollars provided by the parent bank and for loans granted to corporate clients. The guarantees are interest-free, the expiration date of the guarantees is 26 May 2026, 30 June 2027, 5 October 2026, and 30 December 2026. Guarantees received from other related parties include the guarantees in the tenge provided by a company belonging to Shinhan Financial Group Co. Ltd, and for loans granted to its subsidiary in Kazakhstan. The guarantees are interest-free and the guarantees expire on 27 April 2026 and 25 September 2026.

Statement of financial position	Parent bank 31 December 2023	Parent bank Average interest rate,%	Other related parties 31 December 2023	Other related parties Average interest rate,%
ASSETS				
Cash and cash equivalents				
- Euro	-	-	16,273	-
- other currency	-	-	253	-
Loans granted to customers				
- tenge	-	-	12,398,039	16.91
LIABILITIES				
Accounts and deposits of banks				
- tenge	(23,159)	-	-	-
- US dollar	(323,529)	-	-	-
- Euro	(1,750)	-	-	-
Current accounts and deposits of customers				
- tenge	-	-	(526,317)	5.98
- US dollar	-	-	(509)	0.41
Other liabilities				
- tenge	(4,496)	-	(119)	-
- US dollar	(30,304)	-	-	-
Items not recognized in the statement of financial position				
Received guarantees*				
- tenge	(3,400,000)	-	(1,500,000)	-
- US dollar	(5,409,264)	-	(2,500,080)	-
Credit facilities	-	-	(30,000,000)	-

Statement of profit or loss and other comprehensive income	Parent bank 2023	Parent bank Average interest rate,%	Other related parties 2023	Other related parties Average interest rate,%
Income from foreign currency transactions	467	-	5,599	-
Interest income	-	-	858,800	-
Interest expenses	-	-	(175,749)	-
Fee income	3,317	-	8,675	-
Fee expenses	(32,583)	-	(131,566)	-
Other general and administrative expenses	(88,305)	-	-	-

** Guarantee received from other related parties includes the guarantees in the tenge issued by a company from the group of Shinhan Financial Group Co. Ltd, for loans granted to its subsidiary in Kazakhstan. Guarantees are interest-free, guarantees expire on 23 August 2024 and 22 March 2024.

(in thousands of Kazakhstani tenge)

24. FINANCIAL ASSETS AND LIABILITIES: FAIR VALUE AND ACCOUNTING CLASSIFICATION

(a) Accounting classification and fair value

The following table provides carrying amount and fair value of financial assets and liabilities as of 31 December 2024:

	At amortized cost	Payables and receivables	Other at amortized cost	Total carrying amount	Fair value
Financial assets					
Cash and cash equivalents	-	529,876,309	-	529,876,309	529,876,309
Accounts and deposits with banks	-	184,913	-	184,913	184,913
Loans granted to customers					
- corporate customers	-	65,494,016	-	65,494,016	187,897
- retail customers	-	12,456,270	-	12,456,270	60,623
Financial assets at amortized cost	53,123,428	-	-	53,123,428	-
Other financial assets	-	1,169,154	-	1,169,154	1,169,154
	53,123,428	**609,180,662**	**-**	**662,304,090**	**531,478,896**
Financial liabilities					
Accounts and deposits of banks	-	-	(506,316)	(506,316)	(506,316)
Current accounts and deposits of customers	-	-	(566,385,686)	(566,385,686)	(566,385,686)
Loans from international financial organizations	-	-	(14,058,073)	(14,058,073)	(14,058,073)
Other financial liabilities	-	(983,064)	(3,808)	(986,872)	(986,872)
	-	**(983,064)**	**(580,953,883)**	**(581,936,947)**	**(581,936,947)**

(in thousands of Kazakhstani tenge)

The following table provides carrying amount and fair value of financial assets and liabilities as of 31 December 2023:

	At amortized cost	Payables and receivables	Other at amortized cost	Total carrying amount	Fair value
Financial assets					
Cash and cash equivalents	-	335,979,749	-	335,979,749	**335,979,749**
Accounts and deposits with banks	-	184,910	-	184,910	**184,910**
Loans granted to customers					
- corporate customers	-	38,312,975	-	38,312,975	**36,067,109**
8,696,405 - retail customers	-	9,802,142	-	9,802,142	**9,077,425**
Financial assets at amortized cost	88,107,686	-	-	88,107,686	**87,541,363**
Other financial assets	-	540,261	-	540,261	**540,261**
	88,107,686	**384,820,037**	**-**	**472,927,723**	**469,390,817**
Financial liabilities					
Accounts and deposits of banks	-	-	(348,438)	(348,438)	**(348,438)**
Current accounts and deposits of customers	-	-	(420,035,435)	(420,035,435)	**(420,035,435)**
Loans from international financial organizations	-	-	(7,023,267)	(7,023,267)	**(7,023,267)**
Other financial liabilities	-	(661,176)	(200)	(661,376)	**(661,376)**
	-	**(661,176)**	**(427,407,340)**	**(428,068,516)**	**(428,068,516)**

The fair value measurement aims to determine the price that would be received from sale of an asset or paid to transfer liabilities in an organized market transaction between the market players at the measurement date. However, given the uncertainty and the use of subjective judgment, fair value should not be interpreted as realizable as part of an immediate sale of assets or a transfer of liabilities.

The fair value of financial assets and financial liabilities traded in active market is based on market quotations or dealer prices. The Bank determines the fair value of all other financial instruments of the Bank using the other valuation methods.

The valuation methods include models for estimating net present value and discounting cash flows, comparing them with similar instruments for which market quotations are known. Judgments and data used for estimating include risk-free and underlying interest rates, credit spreads and other adjustments used to estimate discount rates, share and bond quotations, foreign exchange rates, stock indices, as well as expected price fluctuations and their comparison. The valuation methods are aimed at determining the fair value, which reflects the value of a financial instrument at the reporting date, which would be determined by independent market players.

Management used the discount rate assumptions of 16.01% and 17.64% (in 2023: 19.47 and 21.00%) to discount future cash flows based on the fair value assessment of loans in tenge issued to corporate customers and loans issued to retail customers, respectively, 6.13% (in 2023: 6.80%), to discount future cash flows based on the assessment of the fair value of loans in US dollars issued to corporate clients.

(b) Fair value hierarchy

The Bank measures fair value using the following fair value hierarchy taking into account the materiality of the data used in making these measurements.

- Level 1: active market quotations (unadjusted) for identical financial instruments.
- Level 2: Data, other than Level 1 quotations, available either directly (i.e. quotations) or indirectly (i.e. data derived from quotations). This category includes instruments measured using: market quotations in active markets for identical instruments, market quotations for identical instruments in markets not considered to be active, or other valuation methods, all of whose data are directly or indirectly based on observable inputs.
- Level 3: data that is not available. This category includes instruments measured using information not based on observable inputs, where such unobservable inputs have a significant impact on measurement of an instrument. This category includes instruments measured based on quotations for identical instruments and require the use of significant unobservable adjustments or judgments to reflect a difference between the instruments.

The Bank has a control system in relation to the fair value measurement. This system includes the Risk Management Department, which is independent from the management of the front office and reports to the Chief Financial Officer, and which is responsible for the independent verification of the trading and investment performance, as well as all material fair value measurements. Special control mechanisms include:

- verification of observable quotations;
- recalculation according to valuation models;
- process of verification and approval of new models and changes to models with the participation of the Risk Management Department;
- quarterly validation and back-testing of the model against observable market transactions;
- analysis and study of significant daily changes in estimates; and
- review by the Management Board of significant unobservable data, valuation adjustments and significant changes in the measurement of fair value of the instruments attributable to Level 3 as opposed to the previous month.

(in thousands of Kazakhstani tenge)

When using third party information, including information about prices and market quotations of brokers, to measure a fair value, the Credit Products Control Department evaluates and documents confirmations received from third parties in order to confirm the conclusion that such measurements meet the requirements of IFRSs, including:

- confirmation that information about prices or market quotations of brokers is approved by the Bank for use in pricing the financial instruments;
- an understanding of how a fair value is measured to the extent that it represents actual market transactions;
- cases where quotations for identical instruments are used to measure a fair value, determining how those quotations have been adjusted to reflect the characteristics of the instrument being measured; and
- cases of using a number of quotations for identical financial instruments, determining how a fair value is measured using these quotations.

Significant issues related to the measurement are brought to the attention of the Management Board.

The tables below provide an analysis of the fair value of financial instruments not measured at fair value as of 31 December 2024 and 2023, by levels of the fair value hierarchy:

2024	Level 2	Fair value	Carrying amount
Financial assets			
Accounts and deposits with banks	184,913	184,913	184,913
Loans granted to customers	65,843,877	65,843,877	77,950,286
Financial assets at amortized cost	-	-	53,123,428
Other financial assets	1,169,154	1,169,154	1,169,154
	67,197,944	**67,197,944**	**132,427,781**
Financial liabilities			
Accounts and deposits of banks	(506,316)	(506,316)	(506,316)
Current accounts and deposits of customers	(566,385,686)	(566,385,686)	(566,385,686)
Loans from international financial organizations	(14,058,073)	(14,058,073)	(14,058,073)
Other financial liabilities	(986,872)	(986,872)	(986,872)
	(581,936,947)	**(581,936,947)**	**(581,936,947)**

2023	Level 2	Fair value	Carrying amount
Financial assets			
Accounts and deposits with banks	184,910	184,910	184,910
Loans granted to customers	45,144,534	45,144,534	48,115,117
Financial assets at amortized cost	87,541,363	87,541,363	88,107,686
Other financial assets	540,261	540,261	540,261
	133,411,068	**133,411,068**	**136,947,974**
Financial liabilities			
Accounts and deposits of banks	(348,438)	(348,438)	(348,438)
Current accounts and deposits of customers	(420,035,435)	(420,035,435)	(420,035,435)
Loans from international financial organizations	(7,023,267)	(7,023,267)	(7,023,267)
Other financial liabilities	(661,376)	(661,376)	(661,376)
	(428,068,516)	**(428,068,516)**	**(428,068,516)**

Level 1: Cash and cash equivalents as of 31 December 2024 and 2023 amounted to 529,876,309 thousand tenge and 335,979,749 thousand tenge, respectively.

Level 3: As of 31 December 2024 and 2023 amounted to zero tenge, respectively.

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25. EVENTS AFTER THE BALANCE SHEET DATE

There are no other events in the Bank that occurred prior to the date of approval of the financial statements that would require adjustments or disclosure in the notes to the financial statements.