

**Associated Bank Kazakhstan – Ziraat International Bank
Joint Stock Company**

**Consolidated Financial Statements in accordance with
IFRS Accounting Standards and
Independent Auditor's Report**

For the year ended 31 December 2024

Contents

INDEPENDENT AUDITOR'S REPORT

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Independent Auditor's Report

To the Shareholders and the Board of Directors of Associated Bank Kazakhstan – Ziraat International Bank JSC:

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Associated Bank Kazakhstan – Ziraat International Bank JSC (the "Bank") and its subsidiaries (together - the "Group") as at 31 December 2024, and the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Kazakhstan. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Republic of Kazakhstan that are relevant to our audit of the consolidated financial statements.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

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

On behalf of PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP.

Approved by:

Akonratbaev

Azamat Konratbaev
Managing Director
PricewaterhouseCoopers LLP
(General State License of the Ministry of
Finance of the Republic of Kazakhstan
№00000005 dated 21 October 1999)

Signed by:

Aigul Akhmetova

Aigul Akhmetova
Partner
Auditor in charge
(Qualified Auditor's Certificate №0000083
dated 27 August 2012)



20 March 2025


Almaty, Kazakhstan

Associated Bank Kazakhstan – Ziraat International Bank JSC
Consolidated Statement of Financial Position as of 31 December 2024

<i>In thousands of Kazakhstani Tenge</i>	Note	31 December 2024	31 December 2023
ASSETS			
Cash and cash equivalents	8	105,214,700	105,227,639
Due from other banks	9	-	1,140,673
Investment securities carried at amortized cost	10	1,027,054	1,032,340
Investments		7,001	7,001
Loans to customers	11	172,082,310	106,391,744
Corporate income tax prepayment		26,594	26,278
Other assets	13	1,792,888	1,796,198
Deferred corporate income tax asset		1,170	345
Property and equipment	12	4,823,669	5,226,740
Intangible assets	12	792,465	729,750
Non-current assets held for sale	14	8,489,108	10,003,177
TOTAL ASSETS		294,256,959	231,581,885
LIABILITIES			
Due to other banks and credit institutions	15	22,270,571	3,884,065
Customer accounts	16	171,190,645	152,682,088
Lease liabilities	17	483,702	383,080
Current corporate income tax payable		808	31,203
Deferred corporate income tax liability		183,695	208,627
Other liabilities	18	890,002	509,883
TOTAL LIABILITIES		195,019,423	157,698,946
EQUITY			
Share capital	19	48,500,000	48,500,000
Retained earnings		49,243,614	23,426,588
Reserve funds	19	1,177,175	1,177,175
Revaluation reserve for property and equipment		316,747	779,176
TOTAL EQUITY		99,237,536	73,882,939
TOTAL LIABILITIES AND EQUITY		294,256,959	231,581,885

Signed and authorized for issue on behalf of the Management Board of the Group on 20 March 2025:



Galiya Massenova
Acting Chairman of the Management Board



Anna Chernova
Chief Accountant

Associated Bank Kazakhstan – Ziraat International Bank JSC
Consolidated Statement of Comprehensive Income for the year ended 31 December 2024

<i>In thousands of Kazakhstani Tenge</i>	Note	31 December 2024	31 December 2023
Interest income calculated using effective interest rate	20	27,424,894	21,074,525
Interest expense	20	(7,357,575)	(4,403,164)
Net interest income		20,067,319	16,671,361
Recovery of previously created reserves for credit losses	21	13,753,674	1,268,481
Net interest income after expected credit losses		33,820,993	17,939,842
Fee and commission income	22	1,715,272	1,547,614
Fee and commission expense	22	(555,243)	(296,538)
Net gains from transactions in foreign currencies:			
- dealing		2,461,914	2,400,247
- translation differences		59,608	12,528
Other income		428,461	436,600
Administrative and other operating expenses	23	(5,523,803)	(4,956,665)
Profit before corporate income tax expense		32,407,202	17,083,628
Corporate income tax expense	24	(7,052,605)	(1,985,731)
Profit for the year		25,354,597	15,097,897
Other comprehensive loss			
<i>Items that will not be subsequently reclassified to profit or loss:</i>			
Revaluation of land and buildings (net of deferred corporate income tax)		-	(148,621)
Other comprehensive loss for the year		-	(148,621)
Total comprehensive income for the year		25,354,597	14,949,276
Basic and diluted earnings per share (in Tenge)	19	522.78	311.30

Signed and authorized for issue on behalf of the Management Board of the Group on 20 March 2025:

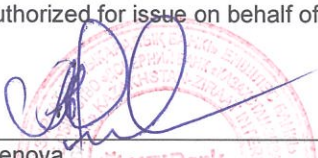

Galiya Massenova
Acting Chairman of the Management Board



Anna Chernova
Chief Accountant

Associated Bank Kazakhstan – Ziraat International Bank JSC
Consolidated Statement of Changes in Equity for the year ended 31 December 2024

<i>In thousands of Kazakhstani Tenge</i>	Note	Share capital	Reserve funds	Revaluation reserve for property and equipment	Retained earnings	Total equity
As at 1 January 2023		48,500,000	1,177,175	950,746	8,305,742	58,933,663
Profit for the year		-	-	-	15,097,897	15,097,897
Other comprehensive income		-	-	(148,621)	-	(148,621)
Total comprehensive income for 2023		-	-	(148,621)	15,097,897	14,949,276
Transfer from the revaluation reserve for property and equipment		-	-	(22,949)	22,949	-
As at 31 December 2023	19	48,500,000	1,177,175	779,176	23,426,588	73,882,939
Profit for the year		-	-	-	25,354,597	25,354,597
Other comprehensive income		-	-	-	-	-
Total comprehensive income for 2024		-	-	-	25,354,597	25,354,597
Transfer from the revaluation reserve for property and equipment		-	-	(462,429)	462,429	-
As at 31 December 2024	19	48,500,000	1,177,175	316,747	49,243,614	99,237,536

Signed and authorized for issue on behalf of the Management Board of the Group on 20 March 2025:

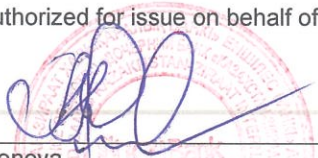

Galiya Massenova
Acting Chairman of the Management Board


Anna Chernova
Chief Accountant

Associated Bank Kazakhstan – Ziraat International Bank JSC
Consolidated Statement of Cash Flows for the year ended 31 December 2024

<i>In thousands of Kazakhstani Tenge</i>	Note	31 December 2024	31 December 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		31,935,142	20,517,225
Interest paid		(7,277,615)	(4,378,220)
Fees and commissions received		1,727,867	1,559,275
Fees and commissions paid		(555,243)	(296,538)
Net gains from dealing in foreign currencies		2,461,914	2,400,247
Other operating income received		55,958	176,108
Personnel expenses paid		(1,936,506)	(1,474,728)
Dividends received		155,003	-
Administrative and other operating expenses paid		(2,889,797)	(2,795,802)
Corporate income tax paid		(7,109,073)	(1,747,740)
Cash flows from operating activities before changes in operating assets and liabilities		16,567,650	13,959,827
<i>Net (increase)/decrease in operating assets</i>			
Due from other banks		982,850	165,743
Loans to customers		(49,904,939)	(29,127,135)
Other assets		533,358	2,423,759
<i>Net increase/(decrease) in operating liabilities</i>			
Due to other banks and credit institutions		18,265,590	(1,200,000)
Customer accounts		8,395,773	51,704,629
Other liabilities		184,140	70,791
Net cash (used in)/from operating activities		(4,975,578)	37,997,614
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment securities		-	(1,076,271)
Purchase of property and equipment, intangible assets and non-current assets held for sale		(637,824)	(5,136,260)
Proceeds from the sale of investment property		-	307,001
Proceeds from sale of property and equipment		2,319,861	1,365,468
Net cash flows from/(used in) investing activities		1,682,037	(4,540,062)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of the principal amount of the lease debt		(224,321)	(209,377)
Net cash used in financing activities		(224,321)	(209,377)
Effect of expected credit losses on cash and cash equivalents	8	2,750	(2,018)
Effect of exchange rate changes on cash and cash equivalents		3,502,173	(1,624,044)
Net (decrease)/increase in cash and cash equivalents		(12,939)	31,622,113
Cash and cash equivalents as at beginning of the year		105,227,639	73,605,526
Cash and cash equivalents as at the end of the year	8	105,214,700	105,227,639

Signed and authorized for issue on behalf of the Management Board of the Group on 20 March 2025:


Galiya Massenova
Acting Chairman of the Management Board


Anna Chernova
Chief Accountant

1 Organizational structure and description of activities

These consolidated financial statements include the financial statements of Associated Bank Kazakhstan – Ziraat International Bank Joint Stock Company (the “Bank”) and its subsidiaries (collectively, the “Group”).

The Bank was registered in 1993 in accordance with the legislation of the Republic of Kazakhstan. The Bank conducts its activities under the general bank license No. 1.2.67/241 issued by the Agency of the Republic of Kazakhstan for regulation and development of financial market (the “Agency”) on 3 February 2020.

The Bank accepts deposits from the public and extends loans and perform transfers of cash in Kazakhstan and abroad, exchanges currencies and provides other banking services to its commercial and retail customers. The main activity of the subsidiaries is the management of doubtful and bad assets of the Bank.

The Bank is a member of the obligatory deposit insurance system. The system operates under the Law of the Republic of Kazakhstan on “Obligatory Insurance of Second Tier Banks Deposits” dated 7 July 2006 and is governed by the National Bank of the Republic of Kazakhstan (hereinafter - NBRK). The insurance covers the Bank's obligations: up to 20 million Tenge on savings deposits in the national currency, up to 10 million Tenge on cards, accounts and other deposits in the national currency, and up to 5 million Tenge on guaranteed deposits in foreign currency to each individual depositor in case of bankruptcy and revocation of the NBK license to carry out banking activities. Since 1993, the Bank has been a member of the Kazakhstan Stock Exchange (hereinafter referred to as the “KSE”) and has been involved in foreign exchange transactions.

As of 31 December 2024, the Bank's branch network includes 7 branches and 1 banking service center located in the Republic of Kazakhstan (as of 31 December 2023: 7 branches, 1 banking service center).

Registered address of the Group's head office: Republic of Kazakhstan, A05F8Q3, Almaty, st. Nauryzbay Balyr, building 17A, 3rd floor.

Subsidiaries are represented as follows:

Subsidiary	Country of business	Main activities	Ownership share, %	
			31 December 2024	31 December 2023
Stressed Assets Management Organization of Kazakhstan-Ziraat International - 1 LLP	Kazakhstan	Management of distressed assets of the Bank	100.00	100.00
Stressed Assets Management Organization of Kazakhstan Ziraat International – 2 LLP	Kazakhstan	Management of distressed assets of the Bank	100.00	100.00

As of 31 December 2024 and 2023, the shareholders of the Bank were as follows:

Shareholder	31 December 2024, %	31 December 2023, %
T.C. Ziraat Bankasi A.S.	99.92	99.92
Emlak Planlama Insaat Proje Yonetimi ve Ticaret A.S.	0.08	0.08
Total	100.00	100.00

As of 31 December 2024 and 2023, the controlling shareholder of the Group is T.C. Ziraat Bankasi A.S (Turkey) (hereinafter referred to as the “Parent” or the “Controlling Shareholder”).

2 Operating Environment of the Group

On 24 February 2022, Russia launched a military invasion of Ukraine. In response to the invasion, the United States, the European Union and several other countries imposed wide-ranging sanctions on Russia, including banning certain Russian banks from using the Swift system. Russia is Kazakhstan's largest trading partner. Kazakhstan is also heavily dependent on the Caspian Pipeline Consortium (CPC), which transports up to 80% of its oil exports.

2 Operating Environment of the Group (Continued)

The inflation rate was relatively stable during 2024, at 8.6% in December 2024, compared with 9.8% in December 2023. Economic growth slowed to 3.8% in 2024, compared with 5.1% in 2023. As of the date of this report, the official exchange rate of the National Bank of the Republic of Kazakhstan was 500.32 tenge per US dollar, compared to 525.11 tenge per US dollar as of 31 December 2024 (31 December 2023: 454.56 tenge for 1 US dollar).

In general, the economy of the Republic of Kazakhstan continues to exhibit some characteristic features inherent in developing markets. In addition, the Group remains exposed to political, legislative, financial and regulatory changes in the country. Uncertainty remains regarding the tenge exchange rate and commodity prices.

The economic environment has a significant impact on the Group's operations and financial position. Management is taking the necessary measures to ensure the Group's sustainable operations; however, the future consequences of the current economic situation are difficult to predict. Management's current expectations and estimates may differ from actual results. The prospects for future economic stability in the Republic of Kazakhstan depend largely on the effectiveness of economic measures taken by the Government of the Republic of Kazakhstan, as well as legal and political developments that are beyond the Group's control.

3 Significant Accounting Policies

Basis of preparation. These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards.

These consolidated financial statements have been prepared under the historical cost convention, except for financial instruments initially recognized at fair value, investment property at fair value through profit or loss and land and buildings included in property, plant and equipment. Funds measured at fair value. The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These principles have been applied consistently to all periods presented in the consolidated financial statements, unless otherwise stated.

These consolidated financial statements are addressed to the primary users, which are the Shareholder, the Agency and the Bank's customers. These consolidated financial statements assume that key users have reasonable knowledge of the business and economic activities of the Group and have appropriately verified and evaluated the information. On occasion, even knowledgeable and careful users may require the assistance of an advisor to understand complex economic information reflected in these consolidated financial statements.

The objective of these consolidated financial statements is to disclose information that management considers to be material to its principal users. Management is careful not to impair the understandability of these financial statements by obscuring material information by immaterial information. The consolidated financial statements disclose only significant accounting policies, where appropriate, in the related disclosure notes.

These consolidated financial statements are presented in thousands of Kazakhstani tenge (hereinafter referred to as "tenge"), unless otherwise stated.

Consolidation principles. Subsidiaries. Subsidiaries are entities controlled by the Group. The Group controls a subsidiary if the Group is exposed to, or entitled to, variable income from participation in an investee and has the ability to exercise its power over the entity to influence the amount of such income. In particular, the Group controls an investee only if the following conditions are met:

- whether the Group has power over the investee (i.e. existing rights that provide the current ability to direct the significant activities of the investee);
- the Group's exposure to changes in income from participation in the investee or the rights to receive such income;
- the ability of the Group to use its powers over the investee to influence the amount of income.

The financial statements of subsidiaries are included in the consolidated financial statements from the date control is acquired until the date it ceases.

A change in ownership interest in a subsidiary without a loss of control is accounted for as an equity transaction. Losses of a subsidiary are charged to non-controlling interests even if this results in a deficit. If necessary, the accounting policies of subsidiaries are amended to bring them in line with those of the Group.

3 Significant Accounting Policies (Continued)

If the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary (including any related goodwill), the carrying amount of non-controlling interests, accumulated foreign exchange differences recognized in equity; recognizes the fair value of the consideration received, the fair value of the investment retained, the resulting surplus or deficit in profit or loss; reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss.

Transactions between members of the Group, balances due on such transactions, and unrealized gains arising from these transactions are eliminated in the process of preparing the consolidated financial statements.

Going concern basis. Management prepared these consolidated financial statements on a going concern basis. Refer to Note 4 for uncertainties relating to events and conditions that may cast a significant doubt upon the Group's ability to continue as a going concern.

Foreign currency translation. The consolidated financial statements are presented in Tenge, which is the Group's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate established and published by KASE ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. Gains and losses resulting from the translation of foreign currency transactions are recognized in the consolidated statement of comprehensive income as net gains from foreign currencies – translation differences. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the official exchange rates at the date when the fair value was determined.

Differences between the contractual exchange rate of a transaction in a foreign currency and the official KASE exchange rate on the date of the transaction are included in net gains from dealing in foreign currencies. The KASE market exchange rates on 31 December 2024 and 2023, were 525.11 Tenge and 454.56 Tenge to 1 US Dollar, respectively.

Presentation of Financial Instruments by Measurement Category. All financial assets of the Group, except for derivatives, are classified as financial assets measured at amortised cost. All financial liabilities of the Group, except for derivatives, are classified as financial liabilities measured at amortised cost. Derivatives were classified as measured at fair value through profit or loss.

4 Significant Accounting Judgements and Estimates

The Group makes accounting estimates and assumptions that affect the amounts recognized in the financial statements and the carrying amounts of assets and liabilities in the next financial year. Accounting estimates and judgments are subject to ongoing review and are based on management's past experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the process of applying accounting policies, management also makes judgments other than those related to accounting estimates. Judgments that have the most significant effect on the amounts recognized in the financial statements and accounting estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include the following:

Expected credit losses on financial assets. The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, in particular the timing of future cash flows and the value of collateral must be assessed when determining ECL/impairment losses and assessing significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- the Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time ECL basis and the qualitative assessment;
- the segmentation of financial assets when their ECL is assessed on a collective basis;
- development of ECL models, including the various formulas and the choice of inputs;
- determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PD, EAD and LGD;
- selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model.

More details are provided in Notes 11 and 26.

4 Significant Accounting Judgements and Estimates (Continued)

A 10% increase or decrease in the probability of default as of 31 December 2024 would have increased or decreased the total allowance for expected credit losses by KZT 285,960 thousand (31 December 2023: increase or decrease by KZT 171,678 thousand). A 10% increase or decrease in loss in case of default as of 31 December 2024 would have increased or decreased the total allowance for expected credit losses by KZT 213,427 thousand (31 December 2023: increase or decrease by 71,637 thousand Tenge).

Significant increase in credit risk. To determine whether there has been a significant increase in credit risk, the Group compares the risk of default occurring over the life of a financial instrument at the reporting date with the risk of default occurring at the date of initial recognition. The assessment process considers the relative increase in credit risk rather than the specific level of credit risk at the reporting date. The Group takes into account all reasonable and supportable forward-looking information that is available without undue cost and effort, including a number of factors, including the behavioral aspects of specific client portfolios. The Group determines behavioral indications of an increase in credit risk prior to default and includes relevant forward-looking information in credit risk assessments at the individual instrument or portfolio level. If the ECL on all loans to customers were measured as lifetime ECL (i.e., including those currently in Stage 1 and measured as 12-month ECL), the allowance for expected credit losses as of 31 December 2024 would have been KZT 513,940 thousand more (31 December 2023: KZT 464,349 thousand more).

5 Adoption of New or Revised Standards and Interpretations

The following new standards and amendments are effective from 1 January 2024:

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024).

Classification of liabilities as current or non-current – Amendments to IAS 1 (originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024).

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Issued on 25 May 2023).

Unless otherwise stated, the adoption of the above amendments did not have a material impact on the Company's financial statements.

6 New Accounting Pronouncements

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2025 or later, and which the Group has not early adopted.

Amendments to IAS 21 Lack of Exchangeability (Issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025).

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026).

IFRS 18 Presentation and Disclosure in Financial Statements (Issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027).

IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027).

IFRS 14, Regulatory Deferral Accounts (issued on 30 January 2014).

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB).

Annual Improvements to IFRS Accounting Standards (Issued in July 2024 and effective from 1 January 2026).

Unless otherwise described above, the new standards and interpretations are not expected to significantly affect the Group's financial statements.

7 Segment Information

Operating segments are those components of the Group that engage in revenue-generating or expense-inducing activities, whose operating results are regularly reviewed by the Group's chief operating decision maker and for which discrete financial information is available. The Group's chief operating decision maker is the Group's Management Board.

Description of products and services from which each reportable segment derives its revenue.

The Group is established based on one major business segment – corporate banking, representing direct debit instruments, current accounts, deposits, overdrafts, loans and other credit instruments and foreign exchange products. The Group also conducts retail banking transactions that represent banking services to individuals, customer current accounts of individuals, savings, deposits, consumer loans.

Segment information for the reportable segments as of 31 December 2024 and for the year ended on that date is set out below:

<i>In thousands of Kazakhstani Tenge</i>	Corporate banking	Retail banking	Total
As of 31 December 2024			
Assets			
Cash and cash equivalents	105,214,700	-	105,214,700
Investment securities carried at amortized cost	1,027,054	-	1,027,054
Loans to customers	169,311,913	2,770,397	172,082,310
Total assets of reportable segments	275,553,667	2,770,397	278,324,064
Unallocated amounts			15,932,895
Total assets			294,256,959
Liabilities			
Due to other banks and credit institutions	22,270,571	-	22,270,571
Customer accounts	132,905,584	38,285,061	171,190,645
Total liabilities of reportable segments	155,176,155	38,285,061	193,461,216
Unallocated amounts			1,558,207
Total liabilities			195,019,423

7 Segment Information (Continued)

<i>In thousands of Kazakhstani Tenge</i>	Corporate banking	Retail banking	Total
2024			
Interest income calculated using effective interest rate	26,397,536	1,027,358	27,424,894
Interest expense	(4,904,793)	(2,452,782)	(7,357,575)
Net interest income/(expense)	21,492,743	(1,425,424)	20,067,319
Recovery of previously created reserves for credit losses	13,736,816	16,858	13,753,674
Net interest income/(expense) after expected credit losses	35,229,559	(1,408,566)	33,820,993
Fee and commission income	1,449,482	265,790	1,715,272
Fee and commission expense	(555,243)	-	(555,243)
Net gains from transactions in foreign currencies:			
- dealing	2,461,914	-	2,461,914
- translation differences	59,608	-	59,608
Other income	428,461	-	428,461
Administrative and other operating expenses	(5,412,186)	(111,617)	(5,523,803)
Segment results	33,661,595	(1,254,393)	32,407,202
Corporate income tax expense	-	-	(7,052,605)
Profit for the year	-	-	25,354,597

Segment information for the reportable segments as of 31 December 2023 and for the year ended on that date is set out below:

<i>In thousands of Kazakhstani Tenge</i>	Corporate banking	Retail banking	Total
As of 31 December 2023			
Assets			
Cash and cash equivalents	105,227,639	-	105,227,639
Due from other banks	1,140,673	-	1,140,673
Investment securities carried at amortized cost	1,032,340	-	1,032,340
Loans to customers	104,876,840	1,514,904	106,391,744
Total assets of reportable segments	212,277,492	1,514,904	213,792,396
Unallocated amounts			17,789,489
Total assets			231,581,885
Liabilities			
Due to credit institutions	3,884,065	-	3,884,065
Customer accounts	125,223,317	27,458,771	152,682,088
Total liabilities of reportable segments	129,107,382	27,458,771	156,566,153
Unallocated amounts			1,132,793
Total liabilities			157,698,946

7 Segment Information (Continued)

<i>In thousands of Kazakhstani Tenge</i>	Corporate banking	Retail banking	Total
2023			
Interest income calculated using effective interest rate	20,516,366	558,159	21,074,525
Interest expense	(3,227,676)	(1,175,488)	(4,403,164)
Net interest income	17,288,690	(617,329)	16,671,361
Recovery of previously created reserves for credit losses	1,258,356	10,125	1,268,481
Net interest income after expected credit losses	18,547,046	(607,204)	17,939,842
Fee and commission income	1,310,666	236,948	1,547,614
Fee and commission expense	(296,538)	-	(296,538)
Net gains from transactions in foreign currencies:			
- dealing	2,400,247	-	2,400,247
- translation differences	12,528	-	12,528
Other Income	436,600	-	436,600
Administrative and other operating expenses	(4,804,097)	(152,568)	(4,956,665)
Segment results	17,606,452	(522,824)	17,083,628
Corporate income tax expense	-	-	(1,985,731)
Profit for the year	-	-	15,097,897

Income of the Group, other than interest income from deposits with other banks, is generated in the Republic of Kazakhstan. Geographic areas of the Group's activities are presented in Note 26 to these consolidated financial statements on the basis of the actual location of the counterparty, i.e., on the basis of economic risk rather than legal risk of the counterparty. The Group has no customers, which would bring more than ten percent of the total income earned in 2024 and 2023.

8 Cash and Cash Equivalents

Cash and cash equivalents comprise of the following:

<i>In thousands of Kazakhstani Tenge</i>	31 December 2024	31 December 2023
Time deposits with NBRK up to 90 days	62,524,740	79,135,947
Time deposits with Credit Institutions up to 90 days	34,422,315	20,242,156
Current accounts with the NBRK	6,050,507	1,452,768
Cash on hand	1,774,848	2,300,984
Current accounts with other banks	445,572	2,101,878
Total cash and cash equivalents	105,217,982	105,233,733
Less ECL allowance	(3,282)	(6,094)
Total cash and cash equivalents	105,214,700	105,227,639

8 Cash and Cash Equivalents (Continued)

Cash and cash equivalents include cash on hand, funds in the NBRK and funds in credit institutions, including deposits maturing within ninety days from the date of origin and not encumbered by any contractual obligations.

The table below provides an analysis of cash and cash equivalents by credit quality as of 31 December 2024:

<i>In thousands of Kazakhstani Tenge</i>	Cash balances with the NBRK, including mandatory reserves	Time deposits with Other Banks	Correspondent accounts with other banks	Total
<i>Neither past due nor impaired</i>				
- from A- to A rated	-	5,030,427	15,888	5,046,315
- NBRK (BBB rated)	68,575,247	-	-	68,575,247
- from BBB- to BBB+ rated	-	-	48,993	48,993
- from BB- to BB+ rated	-	15,754,468	93,106	15,847,574
- from B- to B+ rated	-	13,637,420	287,585	13,925,005
Gross carrying amount	68,575,247	34,422,315	445,572	103,443,134
ECL allowance	-	(3,276)	(6)	(3,282)
Total cash and cash equivalents, excluding cash on hand	68,575,247	34,419,039	445,566	103,439,852

8 Cash and Cash Equivalents (Continued)

The table below provides an analysis of cash and cash equivalents by credit quality as of 31 December 2023:

<i>In thousands of Kazakhstani Tenge</i>	Cash balances with the NBRK, including mandatory reserves	Time deposits with Other Banks	Correspondent accounts with other banks	Total
<i>Neither past due nor impaired</i>				
- NBRK (BBB- rated)	80,588,715	-	-	80,588,715
- from BBB- to BBB+ rated	-	-	1,143,921	1,143,921
- from BB- to BB+ rated	-	13,639,783	24,001	13,663,784
- from B- to B+ rated	-	5,134,878	933,956	6,068,834
- not rated	-	1,467,495	-	1,467,495
Gross carrying amount	80,588,715	20,242,156	2,101,878	102,932,749
ECL allowance	-	(6,069)	(25)	(6,094)
Total cash and cash equivalents, excluding cash on hand	80,588,715	20,236,087	2,101,853	102,926,655

The Group assesses the credit quality of cash and cash equivalents based on external ratings assigned to banks by independent international rating agencies: S&P, Moody's and Fitch.

As of December 31, 2024 and 2023, all cash and cash equivalent balances are classified as Stage 1. The approach to measuring expected credit losses is described in Note 26.

Minimum reserve requirements

Under Kazakh legislation, the Group is required to maintain reserve assets, which are computed as a percentage of certain liabilities of the Group. Such reserves must be held on the current account with the NBRK or physical cash computed based on average monthly balances of the aggregate of cash balances on current account with the NBRK and/or physical cash in national currency during the period of reserve creation. As of 31 December 2024, obligatory reserves amounted to 3,772,098 thousand Tenge (as of 31 December 2023: 4,263,587 thousand Tenge).

9 Due from Other Banks

<i>In thousands of Kazakhstani Tenge</i>	31 December 2024	31 December 2023
Due from other banks	-	1,143,622
Less ECL allowance	-	(2,949)
Total due from other banks	-	1,140,673

As of 31 December 2023, the Group had a deposit in ZIRAAT Bank Uzbekistan JSC in the amount of 2,500,000 US Dollars or in the equivalent amounted to 1,136,400 thousand Tenge with credit rating B-. In 2024 this deposit was closed.

The Group assesses the credit quality of deposits in banks based on external ratings assigned to banks by independent international rating agencies: S&P, Moody's and Fitch.

For the purposes of measuring expected credit losses, balances of deposits with banks are included in Stage 1 as at 31 December 2023. The approach to measuring expected credit losses is described in Note 26. The fair value of amounts due from other banks carried at amortised cost is presented in Note 27.

10 Investment securities carried at amortized cost

Investment securities carried at amortized cost include:

<i>In thousands of Kazakhstani Tenge</i>	31 December 2024	31 December 2023
Treasury bonds of the Ministry of Finance of the RK	1,028,276	1,032,939
ECL allowance	(1,222)	(599)
Total carrying amount of investment securities carried at amortized cost	1,027,054	1,032,340

The securities in the Group's portfolio are government securities of the Republic of Kazakhstan and are rated BBB-.

The approach to measuring expected credit losses is described in Note 26. The fair value measurement of investment securities carried at amortised cost is presented in Note 27.

11 Loans and advances to clients

Loans to customers comprise of the following:

<i>In thousands of Kazakhstani Tenge</i>	31 December 2024	31 December 2023
Loans to small and medium businesses	136,634,300	77,836,437
Loans to major customers	39,105,686	32,516,502
Consumer loans	1,582,236	970,382
Mortgage loans	1,385,561	754,911
Total carrying amount of loans to customers measured at amortized cost before ECL	178,707,783	112,078,232
Less ECL allowance	(6,625,473)	(5,686,488)
Total loans to customers	172,082,310	106,391,744

As of 31 December 2024 and 2023, the Group classifies loans to customers with an average annual number of employees of more than two hundred and fifty people and (or) an average annual income of more than three million monthly calculation index as of the loan issuance date as "loans issued to major customers"; customers with an average annual number of employees of no more than two hundred and fifty people and (or) an average annual income of no more than three million monthly calculated indicators as of the date of issuance of the loan, as "loans issued to small and medium-sized businesses." The monthly calculation index as of 31 December 2024 was KZT 3,692 (31 December 2023: KZT 3,450). Loans granted to individuals secured by real estate are classified by the Group as "mortgage loans". All other loans to individuals are classified by the Group as "consumer loans".

Restructured loans. Where possible, the Group seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. The Group derecognizes a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

The newly recognized loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCI. When assessing whether or not to derecognize a loan to a customer, amongst others, the Group considers the following factors:

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

11 Loans and advances to clients (Continued)

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, presented within loss from modification of financial assets measured at amortized cost in the consolidated statement of profit or loss that are presented as a part of interest revenue calculated using the effective interest rate in the consolidated statement of profit or loss before an impairment loss is recognized.

For modifications not resulting in derecognition, the Group also reassesses whether there has been a significant increase in credit risk or whether the assets should be classified as credit-impaired. Once an asset has been classified as credit-impaired as the result of modification, it will remain in Stage 3 for a minimum 3-month probation period. In order for the restructured loan to be reclassified out of Stage 3, impairment indicators should be eliminated and at least three subsequent payments have been made in accordance with the modified payment schedule.

Impairment assessment. The Group calculates ECL based on several probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. The mechanics of the ECL calculations are outlined below and the key elements are as follows:

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

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

11 Loans and advances to clients (Continued)

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

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

Definition of default and cure. The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. The Group considers amounts due from banks defaulted and takes immediate action when the required intraday payments are not settled by the close of business as outlined in the individual agreements.

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

- restructuring of the loan due to deterioration of financial position of the borrower;
- a material decrease in the underlying collateral value more than 50% during 6 month period;
- death of the borrower; the borrower is deceased; loss or unsuitability of the underlying collateral during 6 month period.

It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least three consecutive months. In order for the restructured loan to be reclassified out of Stage 3, impairment indicators should be eliminated and at least three subsequent payments have been made in accordance with the modified payment schedule.

11 Loans and advances to clients (Continued)

Allowance for impairment of loans to customers measured at amortized cost.

Below is an analysis of changes in gross carrying amount and related ECL for loans issued to large customers for the year ended 31 December 2024:

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Loans to major customers				
Gross carrying amount as of 1 January 2024	32,516,502	-	-	32,516,502
<i>Changes affecting credit loss allowance charges for the period:</i>				
New originated or purchased	32,906,050	-	-	32,906,050
Derecognition during the period	(27,611,073)	-	-	(27,611,073)
Net change in accrued interest	(491,871)	-	-	(491,871)
Total changes affecting credit loss allowance charge for the period	4,803,106	-	-	4,803,106
<i>Changes that do not affect credit loss allowance charges for the period:</i>				
Positive and negative foreign exchange differences	1,786,078			1,786,078
As of 31 December 2024	39,105,686	-	-	39,105,686

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Loans to major customers				
ECL as of 1 January 2024	(194,435)	-	-	(194,435)
<i>Changes affecting credit loss allowance charges for the period:</i>				
New originated or purchased	(331,299)	-	-	(331,299)
Derecognition during the period	165,103	-	-	165,103
Change in ECL as a result of transfers between Stages or changes in source data	201,953	-	-	201,953
Total changes affecting credit loss allowance charge for the period	35,757	-	-	35,757
<i>Changes that do not affect credit loss allowance charges for the period:</i>				
Positive and negative foreign exchange differences	(13,616)	-	-	(13,616)
As at 31 December 2024	(172,294)	-	-	(172,294)

11 Loans and advances to clients (Continued)

An analysis of changes in the gross carrying value and corresponding ECL in relation to lending to small and medium businesses during the year ended 31 December 2024 is as follows:

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Loans to small and medium businesses				
Gross carrying amount as of 1 January 2024	66,119,000	9,545,241	2,172,196	77,836,437
<i>Changes affecting credit loss allowance charges for the period:</i>				
New originated or purchased	130,376,400	-	-	130,376,400
Derecognition during the period	(70,051,223)	(5,997,506)	(14,623,309)	(90,672,038)
Transfers to Stage 1	32,244	(32,244)	-	-
Transfers to Stage 2	(15,482,935)	15,565,758	(82,823)	-
Transfers to Stage 3	(5,397,917)	-	5,397,917	-
Net change in accrued interest	205,521	(496,619)	(134,124)	(425,222)
Total changes affecting credit loss allowance charge for the period	39,682,090	9,039,389	(9,442,339)	39,279,140
<i>Changes that do not affect credit loss allowance charges for the period:</i>				
Write-offs	-	-	(1)	(1)
Compensations	-	-	13,791,032	13,791,032
Positive and negative foreign exchange differences	4,205,073	518,130	1,004,489	5,727,692
As of 31 December 2024	110,006,163	19,102,760	7,525,377	136,634,300

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Loans to small and medium businesses				
ECL as of 1 January 2024	(1,399,231)	(2,145,153)	(1,737,279)	(5,281,663)
<i>Changes affecting credit loss allowance charges for the period:</i>				
New originated or purchased	(2,274,742)	-	-	(2,274,742)
Derecognition during the period	1,482,445	1,347,851	9,052,584	11,882,880
Transfers to Stage 1	(6,250)	6,250	-	-
Transfers to Stage 2	1,664	(32,112)	30,448	-
Transfers to Stage 3	25,867	-	(25,867)	-
Change in ECL as a result of transfers between Stages or changes in source data	(53,624)	(1,020,527)	4,787,881	3,713,730
Total changes affecting credit loss allowance charge for the period	(824,640)	301,462	13,845,046	13,321,868
<i>Changes that do not affect credit loss allowance charges for the period:</i>				
Write-offs	-	-	1	1
Compensations	-	-	(13,791,032)	(13,791,032)
Positive and negative foreign exchange differences	(175,463)	(155,472)	(174,018)	(504,953)
As of 31 December 2024	(2,399,334)	(1,999,163)	(1,857,282)	(6,255,779)

11 Loans and advances to clients (Continued)

An analysis of changes in the gross carrying value and corresponding ECL in relation to consumer lending during the year ended 31 December 2024 is as follows:

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Consumer loans				
Gross carrying amount as of 1 January 2024	779,962	6,202	184,218	970,382
<i>Changes affecting credit loss allowance charges for the period:</i>				
New originated or purchased	1,198,551	-	-	1,198,551
Derecognition during the period	(594,329)	(17,919)	(40,796)	(653,044)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(91,625)	91,625	-	-
Transfers to Stage 3	(631)	-	631	-
Net change in accrued interest	(6,207)	(3,905)	(3,112)	(13,224)
Total changes affecting credit loss allowance charge for the period	505,759	69,801	(43,277)	532,283
<i>Changes that do not affect credit loss allowance charges for the period:</i>				
Write-offs	-	-	(29)	(29)
Compensations	-	-	2,187	2,187
Positive and negative foreign exchange differences	76,832	293	288	77,413
As of 31 December 2024	1,362,553	76,296	143,387	1,582,236

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Consumer loans				
ECL as of 1 January 2024	(15,336)	(121)	(169,078)	(184,535)
<i>Changes affecting credit loss allowance charges for the period:</i>				
New originated or purchased	(33,279)	-	-	(33,279)
Derecognition during the period	11,686	350	37,443	49,479
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	3,111	(3,111)	-	-
Transfers to Stage 3	14	-	(14)	-
Change in ECL as a result of transfers between Stages or changes in source data	24,327	(26,730)	(8,034)	(10,437)
Total changes affecting credit loss allowance charge for the period	5,859	(29,491)	29,395	5,763
<i>Changes that do not affect credit loss allowance charges for the period:</i>				
Write-offs	-	-	29	29
Compensations	-	-	(2,187)	(2,187)
Positive and negative foreign exchange differences	(1,457)	(3)	(250)	(1,710)
As at 31 December 2024	(10,934)	(29,615)	(142,091)	(182,640)

11 Loans and advances to clients (Continued)

An analysis of changes in the gross carrying value and corresponding ECL in relation to mortgage lending during the year ended 31 December 2024 is as follows:

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Mortgage loans				
Gross carrying amount as at 1 January 2024	696,532	42,576	15,803	754,911
Changes affecting credit loss allowance charges for the period:				
New originated or purchased	998,050	-	-	998,050
Derecognition during the period	(337,329)	(18,602)	(12,431)	(368,362)
Transfers to Stage 1	17,173	(17,173)	-	-
Net change in accrued interest	1,377	(317)	(98)	962
Total changes affecting credit loss allowance charge for the period	679,271	(36,092)	(12,529)	630,650
Changes that do not affect credit loss allowance charges for the period:				
Write-offs	-	-	-	-
As at 31 December 2024	1,375,803	6,484	3,274	1,385,561

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Mortgage loans				
ECL as of 1 January 2024	(12,682)	(5,259)	(7,914)	(25,855)
Changes affecting credit loss allowance charges for the period:				
New originated or purchased	(35,692)	-	-	(35,692)
Derecognition during the period	6,142	2,298	6,225	14,665
Transfers to Stage 1	(216)	216	-	-
Change in ECL as a result of transfers between Stages or changes in source data	30,962	2,745	(1,585)	32,122
Total changes affecting credit loss allowance charge for the period	1,196	5,259	4,640	11,095
Changes that do not affect credit loss allowance charges for the period:				
Write-offs	-	-	-	-
At 31 December 2024	(11,486)	-	(3,274)	(14,760)

11 Loans and advances to clients (Continued)

An analysis of changes in the gross carrying value and corresponding ECL in relation to lending to major customers during the year ended 31 December 2023 is as follows:

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Loans to major customers				
Gross carrying amount as of 1 January 2023	25,320,667	175,379	-	25,496,046
<i>Changes affecting credit loss allowance charges for the period:</i>				
New originated or purchased	22,246,543	-	-	22,246,543
Derecognition during the period	(14,889,185)	(168,923)	-	(15,058,108)
Net change in accrued interest	124,727	(6,456)	-	118,271
Total changes affecting credit loss allowance charge for the period	7,482,085	(175,379)	-	7,306,706
<i>Changes that do not affect credit loss allowance charges for the period:</i>				
Positive and negative foreign exchange differences	(286,250)	-	-	(286,250)
As of 31 December 2023	32,516,502	-	-	32,516,502

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Loans to major customers				
ECL as of 1 January 2023	(149,757)	(1,078)	-	(150,835)
<i>Changes affecting credit loss allowance charges for the period:</i>				
New originated or purchased	(205,799)	-	-	(205,799)
Derecognition during the period	88,061	1,038	-	89,099
Change in ECL as a result of transfers between Stages or changes in source data	73,941	40	-	73,981
Total changes affecting credit loss allowance charge for the period	(43,797)	1,078	-	(42,719)
<i>Changes that do not affect credit loss allowance charges for the period:</i>				
Positive and negative foreign exchange differences	(881)	-	-	(881)
As at 31 December 2023	(194,435)	-	-	(194,435)

11 Loans and advances to clients (Continued)

An analysis of changes in the gross carrying value and corresponding ECL in relation to lending to small and medium businesses during the year ended 31 December 2023 is as follows:

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Loans to small and medium businesses				
Gross carrying amount as of 1 January 2023	36,269,502	8,345,509	11,458,286	56,073,297
<i>Changes affecting credit loss allowance charges for the period:</i>				
New originated or purchased	74,367,638	-	-	74,367,638
Derecognition during the period	(43,773,459)	(7,914,301)	(941,428)	(52,629,188)
Transfers to Stage 1	2,157,229	(2,157,229)	-	-
Transfers to Stage 2	(3,267,669)	12,694,852	(9,427,183)	-
Transfers to Stage 3	(15,717)	(1,155,870)	1,171,587	-
Net change in accrued interest	575,414	(201,698)	(49,478)	324,238
Total changes affecting credit loss allowance charge for the period	30,043,436	1,265,754	(9,246,502)	22,062,688
<i>Changes that do not affect credit loss allowance charges for the period:</i>				
Write-offs	-	-	(4,998)	(4,998)
Compensations	-	-	578	578
Positive and negative foreign exchange differences	(193,938)	(66,022)	(35,168)	(295,128)
As of 31 December 2023	66,119,000	9,545,241	2,172,196	77,836,437

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Loans to small and medium businesses				
ECL as of 1 January 2023	(687,244)	(487,612)	(5,994,748)	(7,169,604)
<i>Changes affecting credit loss allowance charges for the period:</i>				
New originated or purchased	(1,310,233)	-	-	(1,310,233)
Derecognition during the period	829,431	462,417	492,536	1,784,384
Transfers to Stage 1	(26,101)	26,101	-	-
Transfers to Stage 2	20,228	(4,607,573)	4,587,345	-
Transfers to Stage 3	1,950	368,374	(370,324)	-
Change in ECL as a result of transfers between Stages or changes in source data	(236,212)	2,047,282	(474,719)	1,336,351
Total changes affecting credit loss allowance charge for the period	(720,937)	(1,703,399)	4,234,838	1,810,502
<i>Changes that do not affect credit loss allowance charges for the period:</i>				
Write-offs	-	-	4,998	4,998
Compensations	-	-	(578)	(578)
Positive and negative foreign exchange differences	8,950	45,858	18,211	73,019
As of 31 December 2023	(1,399,231)	(2,145,153)	(1,737,279)	(5,281,663)

11 Loans and advances to clients (Continued)

An analysis of changes in the gross carrying value and corresponding ECL in relation to consumer lending during the year ended 31 December 2023 is as follows:

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Consumer loans				
Gross carrying amount as of 1 January 2023	217,661	5,706	16,493	239,860
<i>Changes affecting credit loss allowance charges for the period:</i>				
New originated or purchased	863,676	-	-	863,676
Transfers from other categories	51,017	526	224,440	275,983
Derecognition during the period	(323,363)	(25,142)	(73,706)	(422,211)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(30,006)	30,006	-	-
Transfers to Stage 3	-	-	-	-
Net change in accrued interest	3,934	(4,819)	7,368	6,483
Total changes affecting credit loss allowance charge for the period	565,258	571	158,102	723,931
<i>Changes that do not affect credit loss allowance charges for the period:</i>				
Write-offs	-	-	(8,887)	(8,887)
Compensations	-	-	19,884	19,884
Positive and negative foreign exchange differences	(2,957)	(75)	(1,374)	(4,406)
As of 31 December 2023	779,962	6,202	184,218	970,382

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Consumer loans				
ECL as of 1 January 2023	(2,543)	(76)	(16,492)	(19,111)
<i>Changes affecting credit loss allowance charges for the period:</i>				
New originated or purchased	(22,074)	-	-	(22,074)
Transfers from other categories	(769)	-	(163,501)	(164,270)
Derecognition during the period	3,779	335	73,706	77,820
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	447	(447)	-	-
Transfers to Stage 3	-	-	-	-
Change in ECL as a result of transfers between Stages or changes in source data	5,767	63	(52,227)	(46,397)
Total changes affecting credit loss allowance charge for the period	(12,850)	(49)	(142,022)	(154,921)
<i>Changes that do not affect credit loss allowance charges for the period:</i>				
Write-offs	-	-	8,887	8,887
Compensations	-	-	(19,884)	(19,884)
Positive and negative foreign exchange differences	57	4	433	494
As at 31 December 2023	(15,336)	(121)	(169,078)	(184,535)

11 Loans and advances to clients (Continued)

An analysis of changes in the gross carrying value and corresponding ECL in relation to mortgage lending during the year ended 31 December 2023 is as follows:

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Mortgage loans				
Gross carrying amount as at 1 January 2023	821,447	130,580	270,833	1,222,860
<i>Changes affecting credit loss allowance charges for the period:</i>				
New originated or purchased	188,200	-	-	188,200
Transfers from other categories	(51,017)	(526)	(224,440)	(275,983)
Derecognition during the period	(292,715)	(82,213)	(9,951)	(384,879)
Transfers to Stage 1	29,006	(29,006)	-	-
Transfers to Stage 2	-	47,972	(47,972)	-
Transfers to Stage 3	-	(22,099)	22,099	-
Net change in accrued interest	1,611	(2,132)	5,234	4,713
Total changes affecting credit loss allowance charge for the period	(124,915)	(88,004)	(255,030)	(467,949)
<i>Changes that do not affect credit loss allowance charges for the period:</i>				
Write-offs	-	-	-	-
Positive and negative foreign exchange differences	-	-	-	-
As at 31 December 2023	696,532	42,576	15,803	754,911

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Mortgage loans				
ECL as of 1 January 2023	(9,846)	(439)	(180,616)	(190,901)
<i>Changes affecting credit loss allowance charges for the period:</i>				
New originated or purchased	(4,637)	-	-	(4,637)
Transfers from other categories	769	-	163,501	164,270
Derecognition during the period	3,509	276	6,636	10,421
Transfers to Stage 1	(320)	320	-	-
Transfers to Stage 2	-	(11,918)	11,918	-
Transfers to Stage 3	-	6	(6)	-
Change in ECL as a result of transfers between Stages or changes in source data	(2,157)	6,496	(9,347)	(5,008)
Total changes affecting credit loss allowance charge for the period	(2,836)	(4,820)	172,702	165,046
<i>Changes that do not affect credit loss allowance charges for the period:</i>				
Write-offs	-	-	-	-
Positive and negative foreign exchange differences	-	-	-	-
At 31 December 2023	(12,682)	(5,259)	(7,914)	(25,855)

11 Loans and advances to clients (Continued)

The table below provides an analysis of credit risk for loans to customers measured at amortized cost, for which an allowance for expected credit losses has been recognized. In the table below, the carrying amount of loans to customers also reflects the Group's maximum exposure to credit risk on these loans.

The following is an analysis of the credit quality of loans to major customers measured at amortized cost as at 31 December 2024:

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Loans to major customers				
- from A to AAA rated	18,516,660	-	-	18,516,660
- from B to BBB rated	20,589,026	-	-	20,589,026
Gross carrying amount	39,105,686	-	-	39,105,686
Credit loss allowance	(172,294)	-	-	(172,294)
Carrying amount	38,933,392	-	-	38,933,392

Below is an analysis of the credit quality of loans issued to small and medium businesses, measured at amortized cost, as at 31 December 2024:

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Loans to small and medium businesses				
- from A to AAA rated	29,630,196	5,580,343	-	35,210,539
- from B to BBB rated	68,515,011	12,725,942	5,401,928	86,642,881
- from C to CCC rated	11,860,956	796,475	1,810,043	14,467,474
- D rated	-	-	313,406	313,406
Gross carrying amount	110,006,163	19,102,760	7,525,377	136,634,300
Credit loss allowance	(2,399,334)	(1,999,163)	(1,857,282)	(6,255,779)
Carrying amount	107,606,829	17,103,597	5,668,095	130,378,521

For provision calculations for consumer loans of the stage "No overdue and no increased risk", PD from 1.06% to 9.90% were applied, for "Overdue or increased risk" used PD 5.14%, the stage "Special monitoring required" used PD 100%.

Below is an analysis of the credit quality of consumer loans measured at amortized cost as at 31 December 2024:

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Consumer loans				
No overdue and no increased risk	1,362,553	-	-	1,362,553
Overdue or increased risk	-	76,296	-	76,296
Special monitoring required	-	-	143,387	143,387
Gross carrying amount	1,362,553	76,296	143,387	1,582,236
Credit loss allowance	(10,934)	(29,615)	(142,091)	(182,640)
Carrying amount	1,351,619	46,681	1,296	1,399,596

11 Loans and advances to clients (Continued)

For provision calculations for mortgage loans of the stage "No overdue and no increased risk", PD from 0.33% to 10.18% were applied, for "Overdue or increased risk" used PD 1.03%, the stage "Special monitoring required" used PD 100%.

Below is an analysis of the credit quality of mortgage loans measured at amortized cost as at 31 December 2024:

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Mortgage loans				
No overdue and no increased risk	1,375,803			1,375,803
Overdue or increased risk	-	6,484	-	6,484
Special monitoring required	-	-	3,274	3,274
Gross carrying amount	1,375,803	6,484	3,274	1,385,561
Credit loss allowance	(11,486)	-	(3,274)	(14,760)
Carrying amount	1,364,317	6,484	-	1,370,801

Below is an analysis of the credit quality of loans to major customers, measured at amortized cost, as at 31 December 2023:

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Loans to major customers				
- from A to AAA rated	14,545,654	-	-	14,545,654
- from B to BBB rated	17,970,848	-	-	17,970,848
Gross carrying amount	32,516,502	-	-	32,516,502
Credit loss allowance	(194,435)	-	-	(194,435)
Carrying amount	32,322,067	-	-	32,322,067

Below is an analysis of the credit quality of loans to small and medium businesses, measured at amortized cost, as at 31 December 2023:

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Loans to small and medium businesses				
- from A to AAA rated	13,123,741	5,853,039	-	18,976,780
- from B to BBB rated	43,179,528	1,943,859	-	45,123,387
- from C to CCC rated	9,815,731	1,748,343	1,783,129	13,347,203
- D rated	-	-	389,067	389,067
Gross carrying amount	66,119,000	9,545,241	2,172,196	77,836,437
Credit loss allowance	(1,399,231)	(2,145,153)	(1,737,279)	(5,281,663)
Carrying amount	64,719,769	7,400,088	434,917	72,554,774

11 Loans and advances to clients (Continued)

Below is an analysis of the credit quality of consumer loans measured at amortized cost as at 31 December 2023:

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Consumer loans				
No overdue and no increased risk	779,962	-	-	779,962
Overdue or increased risk	-	6,202	-	6,202
Special monitoring required	-	-	184,218	184,218
Gross carrying amount	779,962	6,202	184,218	970,382
Credit loss allowance	(15,336)	(121)	(169,078)	(184,535)
Carrying amount	764,626	6,081	15,140	785,847

Below is an analysis of the credit quality of mortgage loans measured at amortized cost as at 31 December 2023:

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Mortgage loans				
No overdue and no increased risk	696,532	-	-	696,532
Overdue or increased risk	-	42,576	-	42,576
Special monitoring required	-	-	15,803	15,803
Gross carrying amount	696,532	42,576	15,803	754,911
Credit loss allowance	(12,682)	(5,259)	(7,914)	(25,855)
Carrying amount	683,850	37,317	7,889	729,056

Modified and restructured loans. A Group derecognizes a financial asset, such as a loan to a customer, if the terms of the contract are renegotiated so that in effect it becomes a new loan and the difference is recognized as a derecognition gain or loss before an impairment loss is recognized. On initial recognition, loans are treated as Stage 1 for ECL purposes unless the originated loan is considered an POCI asset.

If the modification does not result in a significant change in cash flows, the modification does not result in derecognition. Based on the change in cash flows, discounted at the original effective interest rate, the Bank recognizes a modification gain or loss before an impairment loss is recognized.

The table below shows the Stage 2 and Stage 3 assets that were renegotiated during the period and which are accounted for as restructured as a result, reflecting the corresponding effect of the modifications incurred by the Group.

<i>In thousands of Kazakhstani Tenge</i>	2024	2023
Gross value of loans to customers modified during the year	10,563,202	7,790,104
Amortized cost before modification	10,219,012	7,707,492
Net (loss)/gain on modification	(31,122)	(84,681)

Collateral and other mechanisms to improve credit quality. The amount and type of collateral required by the Group depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

11 Loans and advances to clients (Continued)

The main types of collateral obtained are as follows:

- for commercial lending – charges over real estate properties, inventory and accounts receivable.
- for retail lending – charges over residential properties.

The Group also obtains guarantees from parent companies for loans to their subsidiaries. Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement during its review of the adequacy of the allowance for impairment.

In absence of collateral or other credit enhancements, ECL in respect of Stage 3 loans to customers as at 31 December 2024 and 2023 would have been higher by:

<i>In thousands of Kazakhstani Tenge</i>	31 December 2024	31 December 2023
Loans to major customers	-	-
Loans to small and medium businesses	896,693	381,471
Consumer loans	-	-
Mortgage loans	-	-
	896,693	381,471

During the year, the Group took possession of different assets in exchange of debts of respective borrowers. The Group is in the process of selling of those assets. It is the Group's policy to dispose of repossessed properties in an orderly fashion. The proceeds are used to reduce or repay the outstanding claim. Generally, the Group does not occupy repossessed properties for business use. The carrying value of the assets repossessed during the period and held as at the reporting date is as follows:

<i>In thousands of Kazakhstani Tenge</i>	31 December 2024	31 December 2023
Land	81,722	81,722
Buildings	18,530	18,530
Total repossessed collateral	100,252	100,252

During 2024 and 2023 the Group did not obtain any property by taking control of collateral for loans to customers.

Concentration of loans to customers. As at 31 December 2024, the Group had ten major borrowers, which accounted for 55.6% (31 December 2023: 56%) of the total amount of loan to customers before allowance for expected credit losses. The total aggregate amount of these loans was 99,019,900 thousand Tenge (on 31 December 2023: 62,201,570 thousand Tenge).

Loans are primarily issued to clients in the Republic of Kazakhstan operating in the following sectors of the economy:

<i>In thousands of Kazakhstani Tenge</i>	31 December 2024	31 December 2023
Construction of commercial and residential property	42,939,193	28,087,440
Trade	39,082,567	38,079,886
Leases	23,124,885	10,059,549
Manufacturing	21,358,690	4,129,891
Sale/production of electricity	12,999,634	6,545,339
Activities of hospital institutions	7,951,018	2,342,153
Hotel and hospitality	6,414,569	7,801,071
Education	4,545,010	4,003,389
Individuals	2,967,797	1,725,293
Agriculture	1,103,922	1,369,077
Construction of educational facilities	-	221,192
Other	16,220,498	7,713,952
Total loans to customers before allowance for ECL	178,707,783	112,078,232

Loans to individuals are represented by consumer and mortgage lending.

12 Property, Plant and Equipment and Intangible assets

The movements in property and equipment were as follows:

<i>In thousands of Kazakhstani Tenge</i>	Land	Buildings and constructions	Office and computer equipment	Vehicles	Other	Right-of-use assets	Total
Initial cost or revaluation							
As at 1 January 2023	809,703	10,809,956	109,354	1,525	226,504	732,054	12,689,096
Additions	90,136	118,500	114,428	32,000	392,550	163,495	911,109
Capitalization of costs	273,581	3,603,008	-	-	-	-	3,876,589
Transfer from other assets	335,394	-	-	-	-	-	335,394
Disposals	(26,806)	(1,114,283)	(11,333)	(1,525)	(27,135)	(114,957)	(1,296,039)
Transfer to non-current assets intended for sale	(270,883)	(9,712,578)	-	-	-	-	(9,983,461)
Impact of revaluation	134,466	(392,134)	-	-	-	-	(257,668)
Impairment	(49,767)	(175,820)	-	-	-	-	(225,587)
As at 31 December 2023	1,295,824	3,136,649	212,449	32,000	591,919	780,592	6,049,433
Additions	-	-	51,795	-	356,593	403,132	811,520
Disposals	(588,294)	-	(73,364)	-	(60,165)	(313,552)	(1,035,375)
As at 31 December 2024	707,530	3,136,649	190,880	32,000	888,347	870,172	5,825,578
Accumulated depreciation							
As at 1 January 2023	-	(106,730)	(63,908)	-	(120,944)	(364,907)	(656,489)
Depreciation and impairment	-	(81,187)	(60,639)	(2,667)	(53,114)	(160,106)	(357,713)
Disposals	-	333	11,333	-	25,557	104,907	142,130
Impact of revaluation	-	49,379	-	-	-	-	49,379
As at 31 December 2023	-	(138,205)	(113,214)	(2,667)	(148,501)	(420,106)	(822,693)
Depreciation and impairment	-	(71,478)	(72,088)	(8,000)	(169,406)	(183,049)	(504,021)
Disposals	-	-	73,364	-	60,165	191,276	324,805
As at 31 December 2024	-	(209,683)	(111,938)	(10,667)	(257,742)	(411,879)	(1,001,909)
Net book value							
As at 1 January 2023	809,703	10,703,226	45,446	1,525	105,560	367,147	12,032,607
As at 31 December 2023	1,295,824	2,998,444	99,235	29,333	443,418	360,486	5,226,740
As at 31 December 2024	707,530	2,926,966	78,942	21,333	630,605	458,293	4,823,669

The Bank's premises are reflected on the balance sheet at fair value determined by an independent appraiser with relevant experience and license. The assessment report was based on the comparative (comparative sales analysis method) and income approaches (income capitalization method), taking into account a fairly developed sales market and the ability to generate rental income.

Income capitalization, in turn, involves estimating value based on the expected market rental income of similar properties with similar capitalization, using this method, the net income received from comparable properties is capitalized to determine the value of the property being valued.

The method of comparative sales analysis allows you to determine the value based on an analysis of prices of recent sales or prices of offers for the sale of similar objects comparable to the object being valued, taking place on the market of the object being valued, adjusted for identified differences.

The fair value of land and buildings as at 31 December 2024 and 2023 is presented in Note 27.

12 Property, Plant and Equipment and Intangible assets (Continued)

The movement of intangible assets is presented below:

	2024	2023
Initial cost		
At 1 January	1,166,677	661,979
Additions	229,436	512,057
Disposals	(6,031)	(7,359)
At 31 December	1,390,082	1,166,677
Accumulated depreciation		
At 1 January	(436,927)	(340,671)
Accrual for the year	(166,721)	(103,615)
Disposals	6,031	7,359
At 31 December	(597,617)	(436,927)
Net book value		
At 1 January	729,750	321,308
At 31 December	792,465	729,750

Property, plant and equipment. Property and equipment, except for buildings and land, are carried at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and any accumulated impairment. Such cost includes the cost of replacing part of equipment when that cost is incurred if the recognition criteria are met.

The carrying value of property and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

After initial recognition at cost, buildings and land are carried at a revalued amount, which is the fair value at the date of the revaluation less any subsequent accumulated depreciation (of buildings) and subsequent accumulated impairment losses. Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Any revaluation surplus is recognized in other comprehensive income, except for reversals of any previous impairment of the asset previously recognized in profit or loss. In this case, the amount of the increase in the value of the asset is recognized in profit or loss. Revaluation write-downs are recognized in profit or loss, unless such decrease is offset directly against a previous surplus on the same asset recognized in the property, plant and equipment revaluation reserve. The Group has also elected not to transfer the revaluation surplus to retained earnings in relation to actual use of respective asset.

The Group applies an accounting method whereby the revaluation surplus is not transferred to retained earnings as the asset is used up. The Group rolls over the entire surplus when the asset is written off or liquidated. Depreciation of an asset begins when it is available for use. Depreciation is calculated on a straight-line basis over the following estimated useful lives:

	<u>Useful lives in years</u>
Buildings	50 years
Computers and office equipment	2.5 years
Vehicles	4 years
Other	4 – 6.7 years

The salvage value, useful lives and depreciation methods of assets are reviewed at the end of each reporting year and adjusted as necessary.

Repair and reconstruction expenses are expensed as incurred and included in administrative and other operating expenses unless they are eligible for capitalization.

Fair value of land and buildings is estimated based on the similar objects offered on the market. See Note 27 for more details with respect to fair value of lands and buildings.

12 Property, Plant and Equipment and Intangible assets (Continued)

If land and buildings had been accounted for at cost less impairment and accumulated depreciation for buildings, their carrying amount as at 31 December 2024 would have been KZT 650,255 thousand and KZT 2,839,635 thousand, respectively (31 December 2023: KZT 694,147 thousand and KZT 2,897,791 thousand, respectively).

As at 31 December 2024, the historical cost of fully depreciated fixed assets, represented by office and computer equipment, vehicles and other fixed assets used by the Bank, amounted to KZT 131,910 thousand (as at 31 December 2023: KZT 97,783 thousand).

Intangible assets. Intangible assets comprise computer software and licenses. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic lives of 6.7 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation periods and methods for intangible assets with indefinite useful lives are reviewed at least at each financial year-end.

13 Other assets

As at 31 December 2024 and 2023, other assets comprise of the following:

<i>In thousands of Kazakhstani Tenge</i>	31 December 2024	31 December 2023
Debtors on banking activities	363,446	305,661
Restricted funds in the KASE accounts	337,511	330,456
Fees and commissions receivable	5,899	16,266
Other assets	5,590	13,532
Other financial assets before allowance for ECL	712,446	665,915
Less allowance for ECL	(314,454)	(280,670)
Other financial assets	397,992	385,245
Prepayments on non-banking activities	806,487	1,190,909
Expenses for the future periods	464,695	83,469
Reposessed collateral	100,252	100,252
Prepaid taxes other than CIT	6,611	4,604
Other	16,851	31,719
Other non-financial assets	1,394,896	1,410,953
Other assets	1,792,888	1,796,198

As at 31 December 2024, the Group had funds in the amount of KZT 337,511 thousand (as at 31 December 2023 – 330,456 thousand tenge) in the accounts with the KASE Clearing Centre. The KASE Clearing Centre has no rating as at 31 December 2024 and 2023.

As at 31 December 2024 and 2023, reposessed collateral represents real estate acquired by the Group in settling borrowers' loan repayment obligations. Reposessed collateral is valued at the lower of its original cost and net realizable value. Despite the fact that the Group is currently actively pursuing activities to sell these assets, some of them were not sold within a short period of time. Management remains committed to selling these assets in the foreseeable future.

13 Other Assets (Continued)

Below is an analysis of changes in ECL allowances for other financial assets for the year ended 31 December 2024:

<i>In thousands of Kazakhstani Tenge</i>	ECL
As at 1 January 2023	(268,913)
Accruals for the year	(507,173)
Write-offs	490,716
Exchange rate differences	4,700
As at 31 December 2023	(280,670)
Accruals for the year	367,452
Recovery	(396,147)
Write-offs	35,300
Exchange rate differences	(40,389)
As at 31 December 2024	(314,454)

14 Non-current assets held for sale

As at 31 December 2024, non-current assets held for sale amounted to Tenge 8,489,108 thousand (31 December 2023: Tenge 10,003,177 thousand). These assets are recognized in the statement of financial position if their carrying amount will be recovered primarily through sale within 12 months after the end of the reporting period. Reclassification of assets requires all of the following conditions to be met: (a) the assets are available for immediate sale in their current condition; (b) the Group's management approved the current program to find a buyer and began its implementation; (c) active marketing is carried out to sell assets at a reasonable price; (d) the sale is expected to be completed within one year, and (e) there is no significant change or cancellation of the sales plan expected. Non-current assets classified as held for sale in the current period's statement of financial position are not reclassified or re-presented in the comparative statement of financial position to conform to the classification at the end of the current period. Fixed assets held for sale are not depreciated.

In May 2023, the Group's management approved the sale of real estate in the form of non-residential premises with adjacent shares in the land plot and entered into an agreement to find buyers. In July 2024, the sale plan was updated and the Group's Management entered into new contracts for the provision of services to find buyers.

15 Due to Other Banks and Credit Institutions

As at 31 December 2024 and 2023, due to other banks and credit institutions comprise of the following:

<i>In thousands of Kazakhstani Tenge</i>	31 December 2024	31 December 2023
T.C. Ziraat Bankasi A.S.	18,388,135	-
DAMU Entrepreneurship Development Fund JSC	3,882,436	3,884,065
Due to other banks and credit institutions	22,270,571	3,884,065

In December 2024, the Controlling Shareholder placed a deposit with the Group in the amount of USD 35,000,000 for a period of two years at a rate of 6.9%.

On 13 October 2020, the Group signed a loan agreement with JSC Entrepreneurship Development Fund DAMU within the framework of the Damu Regions III program for financing regional priority projects for small and medium-sized businesses. The loan agreement was concluded in the amount of 5 billion tenge for a period of 7 years. The interest rate on the loan is 8.5%. As of 31 December 2024, the Group received 7 tranches under the loan agreement for a total amount of KZT 5,000,000 thousand (as of 31 December 2023: 7 tranches under the loan agreement for a total amount of KZT 5,000,000 thousand). In September 2024, Fitch Ratings increased the Bank's rating to B+, with a positive outlook, which is consistent with DAMU's covenants.

An analysis of the liquidity of funds due to other banks and credit institutions is presented in Note 26.

16 Customer Accounts

As at 31 December 2023 and 2022, customer accounts comprise:

<i>In thousands of Kazakhstani Tenge</i>	<i>Note</i>	31 December 2024	31 December 2023
Time deposits		113,417,281	104,285,583
Current accounts		57,773,364	48,396,505
Customer accounts		171,190,645	152,682,088
Held as security against guarantees	25	5,885,660	1,766,580

At 31 December 2023, the Group's ten largest customers accounted for 42% of the total balance of current accounts and customer deposits (31 December 2023: 49.75%). The aggregate balance of such clients as at 31 December 2024 was Tenge 72,620,506 thousand (31 December 2023: Tenge 75,954,053 thousand).

<i>In thousands of Kazakhstani Tenge</i>	31 December 2024	31 December 2023
Time deposits		
Legal entities	81,118,527	82,205,529
Individuals	29,844,984	19,510,002
State and public organizations	2,453,770	2,570,052
Current accounts		
Legal entities	48,602,686	39,747,696
Individuals	8,440,077	7,948,769
State and public organizations	730,601	700,040
Customer accounts	171,190,645	152,682,088

In accordance with the Civil Code of the Republic of Kazakhstan, the Group is obliged to issue the deposit amount upon the first request of the depositor. In cases where a time deposit is returned to the depositor upon his request before the expiration of the term, interest on the deposit is paid in an amount corresponding to the amount of interest paid by the bank on demand deposits, unless the agreement provides for a different interest rate.

Below is the distribution of client funds by category:

<i>In thousands of Kazakhstani Tenge</i>	31 December 2024	31 December 2023
Legal entities:		
Manufacturing	35,151,348	32,046,613
Other	28,672,220	17,506,006
Construction	27,964,408	16,311,713
Trade and services	23,443,858	38,495,584
Transport and communications	9,292,947	9,666,163
Professional services	8,268,268	9,590,675
Metal ore mining	112,535	1,606,563
Individuals	38,285,061	27,458,771
Customer accounts	171,190,645	152,682,088

17 Lease liabilities

The Group recognized the following lease liabilities:

<i>In thousands of Kazakhstani Tenge</i>	31 December 2024	31 December 2023
Long-term lease liabilities	344,290	221,159
Short-term lease liabilities	139,412	161,921
Total lease liabilities	483,702	383,080

17 Lease liabilities (Continued)

Interest expense included in finance costs in 2024 amounted to KZT 44,084 thousand. (2023: 35,908 thousand Tenge).

Lease agreements do not contain any covenants other than securing the performance of obligations on the leased assets owned by the lessor. The leased assets cannot be used as collateral for loans and borrowings.

18 Other liabilities

As at 31 December 2024 and 2023, other liabilities comprise of the following items:

<i>In thousands of Kazakhstani Tenge</i>	Note	31 December 2024	31 December 2023
Obligations for documentary settlements		120,996	85,867
Liabilities for SPOT operations		331	1,402
Advance interest payments on loans issued		-	30,359
Other financial liabilities		121,327	117,628
Taxes payable other than corporate income tax		425,347	158,739
Advance payment received for sale of non-current assets held for sale		131,861	-
Reserve for losses on contingent liabilities	25	117,392	121,641
Accrued expenses for unused vacations		70,176	43,423
Accrued expenses on administrative and business activities		17,655	63,556
Other liabilities		6,244	4,896
Other non-financial liabilities		768,675	392,255
Other liabilities		890,002	509,883

19 Equity

Share capital. As at 31 December 2024 and 2023, the total number of authorized, issued and fully paid ordinary shares of the Group is 48,500,000 shares. The cost of placement of shares was 1,000 tenge per common share. Shareholders have the right to receive dividends and distribution of capital in tenge.

In 2024 and 2023, the Group did not declare or pay dividends.

Nature and purpose of other reserves

Reserve funds. As at 31 December 2024, the Group has a general bank reserve for contingencies and future losses in the amount of Tenge 1,177,175 thousand (31 December 2023: Tenge 1,177,175 thousand). Funds of the general bank reserve can be distributed only by an official decision of the Group's shareholders.

Property and equipment revaluation reserve. The revaluation reserve for property, plant and equipment is used to record increases in the fair value of land and buildings owned by the Group, as well as decreases in that value, but only to the extent that such decreases relate to previous increases in the value of the same asset previously recognized in equity.

Earnings per share. Basic earnings per share are calculated by dividing net income for the period attributable to common shareholders by the weighted average number of shares outstanding during the period. The Group does not have options or convertible debt or equity instruments.

19 Equity (Continued)

The following reflects the income and share data used in the basic and diluted earnings per share computations:

<i>In thousands of Kazakhstani Tenge</i>	2024	2023
Net profit for the year attributable to the shareholders of the Group	25,354,597	15,097,897
Weighted average number of common shares for basic and diluted earnings per share computation	48,500,000	48,500,000
Basic and diluted earnings per share (in Tenge)	522.78	311.30

As at 31 December 2024 and 2023, the Group did not have any financial instruments diluting earnings per share.

20 Interest Income and Interest Expense

Net interest income comprises the following:

<i>In thousands of Kazakhstani Tenge</i>	2024	2023
Loans to clients	17,752,988	11,537,151
Due from other banks	9,531,069	9,435,206
Investment securities carried at amortized cost	140,837	102,168
Total interest income calculated using the effective interest rate	27,424,894	21,074,525
Customer accounts	(6,983,466)	(3,975,961)
Due to other banks and credit institutions	(330,025)	(391,295)
Lease liabilities	(44,084)	(35,908)
Total interest expense	(7,357,575)	(4,403,164)
Net interest income	20,067,319	16,671,361

21 Expected Credit Losses Expenses

The table below shows the ECL expenses on financial instruments recorded in the consolidated statement of comprehensive income during the year ended 31 December 2024:

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Cash and cash equivalents	2,750	-	-	2,750
Due from other banks	2,953	-	-	2,953
Loans to customers measured at amortized cost	(781,828)	277,230	13,879,081	13,374,483
Other financial assets	-	-	367,452	367,452
Financial guarantees	6,659	-	-	6,659
Investment securities carried at amortized cost	(623)	-	-	(623)
Total (expenses)/recovery for credit losses	(770,089)	277,230	14,246,533	13,753,674

21 Expected Credit Losses Expenses (Continued)

The table below shows the ECL expenses on financial instruments recorded in the consolidated statement of comprehensive income during the year ended 31 December 2023:

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Stage 2	Stage 3	Total
Cash and cash equivalents	(2,018)	-	-	(2,018)
Due from other banks	(2,579)	-	-	(2,579)
Loans to customers measured at amortized cost	(780,420)	(1,707,190)	4,265,518	1,777,908
Other financial assets	-	-	(507,173)	(507,173)
Financial guarantees	2,942	-	-	2,942
Investment securities carried at amortized cost	(599)	-	-	(599)
Total (expenses)/recovery for credit losses	(782,674)	(1,707,190)	3,758,345	1,268,481

22 Commission Income and Commission Expense

The Group receives commission income from various types of services it provides to clients. Fee income can be divided into the following two categories:

Fee income received for providing services over a specified period of time. Commissions received for the provision of services over a specified period of time accrue over that period as related performance obligations are satisfied. Such items include commission income and fees for asset management, custody and other management and consulting services. Commitment fees for loan originations where it is probable that the loan will be drawn down and other fees associated with the origination of loans are deferred (along with additional costs) and recognized as an adjustment to the effective interest rate on the loan.

Commission income from the provision of services for transactions. Commissions received for executing or negotiating a transaction on behalf of a third party, for example where the Group's performance obligation is to enter into an agreement to purchase shares or other securities, or the purchase or sale of a business, are recognized upon completion of the transaction. Commissions (or portions of commissions) associated with certain performance obligations are recognized when the relevant criteria are met.

If a contract provides for variable consideration, fee income is recognized only to the extent that it is highly probable that, upon subsequent resolution of the uncertainty inherent in the variable consideration, there will be no significant decrease in the amount recognized in the cumulative revenue stream.

Net fee and commission income comprises of:

<i>In thousands of Kazakhstani Tenge</i>	2024	2023
Issuance of guarantees and letters of credit	831,051	666,715
Settlement operations	550,944	590,508
Cash transactions	194,931	175,735
Bank account services	15,992	65,616
Safe Operations	7,209	6,580
Payment cards	1,729	982
Other	113,416	41,478
Fee and commission income	1,715,272	1,547,614
Commission expenses for payment systems	(249,550)	(82,938)
Settlement operations	(197,659)	(141,783)
Processing services	(52,569)	(23,415)
Guarantees	(43,758)	(42,215)
Other	(11,707)	(6,187)
Fee and commission expense	(555,243)	(296,538)
Net fee and commission income	1,160,029	1,251,076

23 Administrative and Other Operating Expenses

Administrative and other operating expenses comprise of:

<i>In thousands of Kazakhstani Tenge</i>	<i>Note</i>	2024	2023
Salary and bonuses		1,759,792	1,333,771
Building maintenance		626,071	211,545
Taxes other than corporate income tax		563,252	906,585
Depreciation of premises and equipment	12	504,021	357,713
Software technical support		341,698	267,629
Professional Services		261,580	234,830
Social security contributions		203,467	140,178
Amortisation of intangible assets		166,721	103,615
Communication and information services		136,418	78,232
Security services		125,736	113,520
Deposit insurance		111,617	152,568
Insurance		55,480	37,362
Business trips		43,589	32,282
Membership fees		25,512	19,064
Office Supplies		20,505	36,761
Advertising and Marketing		18,679	14,762
Staff training		17,589	12,293
Transportation expense		12,850	11,079
Real estate agent		10,018	-
Collection expense		8,721	8,976
Others		510,487	473,730
Building impairment		-	225,587
Project consulting costs		-	184,583
Total administrative and other operating expenses		5,523,803	4,956,665

Included in professional services are audit services of tenge 64,400 thousand (2023: tenge 52,495 thousand).

24 Income Taxes

Current corporate income tax expenses are calculated in accordance with the legislation of the Republic of Kazakhstan.

Deferred corporate income tax assets and liabilities are calculated for all temporary differences using the balance sheet liability method. Deferred corporate income taxes are provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred corporate income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the taxable temporary differences can be utilised. Deferred corporate income tax assets and liabilities are measured at the tax rates that will apply during the period in which the asset is realized or the liability is settled, based on laws enacted or substantively enacted at the reporting date.

In addition, the Republic of Kazakhstan has various operating taxes that apply to the Group's activities. These taxes are reflected in administrative and other operating expenses in the statement of comprehensive income.

The corporate income tax expense (CIT) comprises:

<i>In thousands of Kazakhstani Tenge</i>	2024	2023
Current corporate income tax expense	7,078,362	1,941,817
Deferred corporate income tax (savings)/expense – origination and reversal of temporary differences	(25,757)	43,914
Corporate income tax expense	7,052,605	1,985,731

The Group's income is taxed only in the Republic of Kazakhstan. Under tax law, the applicable corporate income tax rate for 2024 and 2023 is 20%.

24 Income Taxes (Continued)

The reconciliation between corporate income tax expense recognized in these consolidated financial statements and earnings before corporate income tax expense multiplied by the statutory tax rate for 2024 and 2023 is as follows:

<i>In thousands of Kazakhstani Tenge</i>	2024	2023
Profit before corporate income tax expense	32,407,202	17,083,628
Statutory tax rate	20%	20%
Theoretical corporate income tax expense calculated at the statutory rate	6,481,440	3,416,726
Administrative and other non-deductible expenses	167,938	209,826
Changes in non-deductible/non-taxable reserves	31,446	131,912
Utilisation of previously unrecognised tax loss carry forwards	-	(2,043,109)
Impairment of fixed assets	-	45,118
Other permanent differences	371,781	225,258
Corporate income tax expense	7,052,605	1,985,731

Deferred CIT assets and liabilities as of 31 December 2024 and their movements for the respective years comprise:

<i>In thousands of Kazakhstani Tenge</i>	1 January 2023	The occurrence and reversal of temporary differences in profit or loss	Origination and decrease of temporary difference in other comprehen- -sive income	31 December 2023	Origination and decrease of temporary difference in profit and loss	31 December 2024
Tax effect of deductible temporary differences						
Tax losses carry forwards	2,053,598	(2,053,598)	-	-	-	-
Provision for tax losses carry forwards	(2,045,177)	2,045,177	-	-	-	-
Impairment expense on financial instruments	1,487	(1,487)	-	-	-	-
Other	2,049	(1,704)	-	345	825	1,170
Deferred tax assets	11,957	(11,612)	-	345	825	1,170
Tax effect of taxable temporary differences						
Fixed assets and intangible assets	(174,641)	(21,591)	59,668	(136,564)	(22,847)	(159,411)
Other	(40,223)	(30,176)	-	(70,399)	46,115	(24,284)
Investment property	(21,099)	19,465	-	(1,634)	1,634	-
Future expenses	(30)	-	-	(30)	30	-
Deferred tax liabilities	(235,993)	(32,302)	59,668	(208,627)	24,932	(183,695)
Net deferred tax asset/(liability)	(224,036)	(43,914)	59,668	(208,282)	25,757	(182,525)

25 Commitments and Contingencies

Political and economic environment. The Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Republic of Kazakhstan economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government of the Republic of Kazakhstan.

The volatility of crude oil prices and Tenge's exchange rate against major foreign currencies continue to have a negative impact on the Kazakhstan economy. Interest rates of attracted financing in Tenge remain high. Combination of these factors resulted in a limited access to capital, high cost of capital, high inflation rate and uncertainty regarding further economic growth, which could negatively affect the Group's future financial position, results of operations and business prospects. The management of the Group believes that it is taking appropriate measures to support the sustainability of the Group's business in the current circumstances.

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

The Group assesses the likelihood of material liabilities arising from individual circumstances and makes provision in its consolidated financial statements only where it is probable that events giving rise to the liability will occur and the amount of the liability can be reasonably estimated. No provision has been made in these consolidated financial statements for any of the above described contingent liabilities.

Tax contingencies. Various types of legislation and regulations are not always clearly written and their interpretation is subject to the opinions of the local tax inspectors and the Ministry of Finance of the Republic of Kazakhstan. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual. The current regime of penalties and interest related to reported and discovered violations of Kazakhstani laws, decrees and related regulations is severe. Penalties include confiscation of the amounts at issue (for currency law violations), as well as fines of generally 50% of the taxes unpaid.

The Group believes that it has paid or accrued all taxes that are applicable. Where practice concerning tax application is unclear, the Group has accrued tax provisions based on management's best estimate. The Group's policy is to recognize provisions in the accounting period in which a loss is deemed probable and the amount is reasonably determinable. Because of the uncertainties associated with the Kazakhstan tax system, the ultimate amount of taxes, penalties and fines, if any, may be in excess of the amount expensed to date and accrued on 31 December 2024. Although such amounts are possible and may be material, it is the opinion of the Group's management that these amounts are either not probable, not reasonably determinable, or both.

Commitments and contingencies. At 31 December the Group's commitments and contingencies comprised the following:

<i>In thousands of Kazakhstani Tenge</i>	Note	2024	2023
Credit related commitments			
Undrawn loan facilities		87,846,339	56,891,754
Guarantees		41,447,690	28,583,467
Letters of credit		20,083	-
Total credit related commitments		129,314,112	85,475,221
ECL allowance on credit related commitments	18	(117,392)	(121,641)
Amounts due to customers held as security against guarantees	16	(5,885,660)	(1,766,580)
Total credit related commitments, net of allowance and net of cash collateral		123,311,060	83,587,000

25 Commitments and Contingencies (Continued)

Credit related commitments. Loan commitments are contractual commitments under which, during the life of the commitment, the Group is required to provide a customer with a loan on pre-agreed terms. Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans and borrowings. Documentary and trade letters of credit, which are written undertakings by the Group to make payments on behalf of customers up to a specified amount, subject to certain conditions, are backed by related deliveries of goods or cash deposits and are therefore less risky than direct borrowing. Commitments to provide loans provide for the Group's right to unilaterally withdraw from the agreement in the event of any unfavorable conditions. Therefore, no ECL allowance was recognized for loan commitments for the year ended 31 December 2024 and 2023.

Commitments to extend credit include the unused portion of amounts approved by management to extend credit in the form of loans, guarantees or letters of credit. With respect to commitments to extend credit, the probability of losses is less than the total amount of unused commitments, as commitments to extend loans depend on customer compliance with certain credit requirements.

The Group controls the time remaining to maturity of credit related commitments, as longer-term commitments generally carry a higher level of credit risk than short-term commitments. The Group annually reviews the provided credit limits in order to review the period of availability for obtaining credit funds/obligations. In the event of a deterioration in creditworthiness, the availability period is not updated.

The table below provides an analysis of the credit quality of credit related commitments based on credit risk levels as at 31 December 2023 and 31 December 2024.

<i>In thousands of Kazakhstani Tenge</i>	Stage 1 (12-months ECL)	
	31 December 2024	31 December 2023
Guarantees and letters of credit		
- from A to AAA rated	20,486,622	9,631,756
- from B to BBB rated	9,075,662	10,585,476
- from C to CCC rated	11,905,489	8,366,235
Unrecognized gross value	41,467,773	28,583,467
Provision for guarantees and letters of credit	(117,392)	(121,641)
Loan commitments		
- from A to AAA rated	26,366,738	19,846,803
- from B to BBB rated	25,353,476	29,209,422
- from C to CCC rated	36,126,125	7,835,529
Unrecognized gross value	87,846,339	56,891,754
Provision for loan commitments	-	-

A description of the Bank's credit risk grading system and approach to measuring expected credit losses, including the definition of default and significant increase in credit risk for credit related commitments, is provided in Note 26.

The total amount outstanding under undrawn lines of credit, letters of credit and contractual guarantees does not necessarily represent future cash requirements as these obligations may expire or be canceled without funds being provided to the borrower.

25 Commitments and Contingencies (Continued)

An analysis of changes in ECL provisions for the years ended 31 December 2024 and 2023 is presented below:

<i>In thousands of Kazakhstani Tenge</i>	Stage 1	Total
Allowance for ECL as at 1 January 2023	(125,495)	(125,495)
Change in ECL	2,942	2,942
Foreign exchange differences	912	912
Allowance for ECL as at 31 December 2023	(121,641)	(121,641)
Change in ECL	6,659	6,659
Foreign exchange differences	(2,410)	(2,410)
Allowance for ECL as at 31 December 2024	(117,392)	(117,392)

26 Risk Management

Introduction. The Group manages risks through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, liquidity risk and market risk, which in turn is subdivided into risk associated with trading operations and risk associated with non-trading activities. It is also subject to operating risks.

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

Risk management process comprises identification, measuring, control and limitation of risks that are carried out by the Group on a regular basis.

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

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

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

Risk Management Committee of the Board of Directors. The Risk Management Committee of the Board of Directors assists the Board of Directors of the Group by developing recommendations on risk management and internal control issues in order to ensure their reliability and efficiency.

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

The main purpose of the unit is generating and functioning of the Group's effective risk management system providing application of methods of risk detection and control, ensuring effective determination, evaluation and limitation of the Group's risks considering the type and scope of transactions conducted by the Group. This unit also ensures the complete capture of the risks in risk measurement and reporting systems.

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

Internal audit. Risk management processes throughout the Group are audited annually by the internal audit that examines both the adequacy of the procedures and the Group's compliance with the procedures. Internal Audit function discusses the results of all assessments with management and reports its findings and recommendations to the Audit Committee.

26 Risk Management (Continued)

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

Monitoring and controlling risks is primarily performed based on limits established by the Group. These limits reflect the business strategy and market environment of the Group as well as the level of risk that the Group is willing to accept, with additional emphasis on selected industries.

In addition, the Group monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risks types and activities.

Information compiled from all the businesses is examined and processed in order to analyse, control and identify early risks. This information is presented and explained to the Board of Directors, Management Board, Asset and Liability Management Committee, Credit Committee, and the head of each business unit. The report includes aggregate credit exposure, forecast credit indicators, hold limit exceptions, liquidity ratios, interest rate risk ratios and risk profile changes.

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

A regular meeting is held with the Management Board and all other relevant departments of the Group on the utilisation of market limits, proprietary investments and liquidity, plus any other risk developments.

Risk mitigation. The Group actively uses collateral to reduce its credit risks (see below for more detail).

Excessive risk concentration. Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risks, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of risks are controlled and managed accordingly.

Credit risk.

The Group is exposed to credit risk, which is the risk that one party to a transaction in a financial instrument will cause a financial loss to the other party by defaulting on an obligation under a contract.

Credit risk arises from the Group's lending and other transactions with counterparties, which give rise to financial assets and credit related commitments.

The Group's maximum exposure to credit risk is reflected in the carrying amount of financial assets in the consolidated statement of financial position. For issued financial guarantees, commitments to extend credit, undrawn credit lines and export/import letters of credit, the maximum credit risk is the amount of the commitment.

Credit risk management. Credit risk is the single most significant risk to the Group's business. Consequently, management pays special attention to credit risk management.

Assessing credit risk for risk management purposes is complex and requires the use of models as risk changes with market conditions, expected cash flows and over time. Assessing the credit risk of a portfolio of assets requires additional assessments of the probability of a default occurring, the associated loss ratios, and the correlation of defaults across counterparties.

Limits. The Group controls credit risk by setting limits on a single borrower or a group of related borrowers, as well as by setting limits by geographic and industry segments. Credit risk limits by product and industry are regularly approved by management. Such risks are monitored regularly, and the limits are reviewed at least once a year.

Credit risk classification system. In order to assess credit risk and classify financial instruments by credit risk level, the Group uses two approaches: an internal risk-based rating system or assessment of risk levels by external international rating agencies (Standard & Poor's (S&P), Fitch, Moody's).

26 Risk Management (Continued)

Company Score System (FDS) - a system used to determine the creditworthiness of borrowers.

The following table summarizes the credit ratings used in the FDS:

Credit rating	Explanation of Credit Rating
AAA	Along with being an extremely positive company, starting from financial and non-financial criteria, it can continue to have a long-term high creditworthiness.
AA	Along with being a positive company, starting from financial and non-financial criteria, may continue long-term creditworthiness
A	A company with high creditworthiness, owning high short-term creditworthiness and providing optimization starting from financial and non-financial criteria
BBB	A company expected to have a long-term creditworthiness, which has ensured the optimization of the creditworthiness of an important part of the financial and non-financial criteria
BB	A company that needs to be assessed, within the criteria of the Medium-long-term Risk Analysis, that has a short-term creditworthiness, along with a failure to optimize creditworthiness in one part of the financial and / or non-financial criteria
B	A company whose credit profile is subject to maturity review may need to be assessed under the Risk Analysis criteria, while failing to achieve credit optimization in an important part of the financial and/or non-financial criteria. Must be valued with guarantee.
CCC	An important part of financial and/or non-financial criteria is negative. A company that has short-term creditworthiness and requires a guarantee market valuation, along with the fact that there may be difficulties in fulfilling obligations.
CC	In terms of financial and/or non-financial criteria can be agreed, remains below the risk boundaries. Lending is provided only by committees of the structure of the Board of Directors or by the Credit Committee-1 of the General Directorate.
C	In terms of financial and/or non-financial criteria can be agreed, remains below the risk boundaries. Lending is provided only by committees of the structure of the Board of Directors
D	In terms of financial and/or non-financial criteria can be agreed, remains below the risk boundaries. Lending is provided only by committees of the structure of the Board of Directors

(*) Cash loans or cash equivalents cannot be considered under this table.

(**) Companies ranked in the same group receive a parent company credit rating.

The rating models are regularly reviewed by the Credit Risk Department, back-tested based on actual default data, and updated as necessary. Regardless of the method used, the Group regularly confirms the accuracy of the ratings, calculates and evaluates the predictive abilities of models. External ratings are assigned to counterparties by independent international rating agencies such as S&P, Moody's and Fitch. These rankings are publicly available. Such ratings and corresponding ranges of default probabilities apply to interbank deposits and correspondent accounts.

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

The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions.

The credit quality review process allows the Group to assess the potential loss as a result of the risks to which it is exposed and undertake corrective action.

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

The carrying amount of components of the consolidated statement of financial position without the influence of risk mitigation through the use of master netting agreements and collateral agreements, most accurately reflects the maximum credit exposure on these components.

Where financial instruments are recorded at fair value, their carrying amounts represent the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

26 Risk Management (Continued)

For more detail on the maximum exposure to credit risk for each class of financial instrument, references shall be made to the specific notes. The effect of collateral and other risk mitigation techniques is shown in Note 11 and Note 26.

Treasury and interbank relationships. The Group's treasury and interbank relationships and counterparties comprise financial services institutions, banks, broker dealers, exchanges and clearinghouses. To assess such relationships the Group analyses publicly available information, such as consolidated financial statements, and data from other external sources, such as external ratings.

Commercial and small business lending. In case of commercial lending, the department of credit risks performs an assessment of borrowers. The credit risk assessment is based on a calculation model that takes into account various historical, current and forward-looking information such as:

- historical financial information together with forecasts and budgets prepared by the client. This financial information includes realized and expected results, solvency ratios, liquidity ratios and any other relevant ratios to measure the client's financial performance;
- any publicly available information on the clients from external parties. This includes external rating grades issued by rating agencies, independent analyst reports, publicly traded bond prices or press releases and articles;
- any macro-economic or geopolitical information, e.g., GDP growth relevant for the specific industry and geographical segments where the client operates;
- any other objectively supportable information on the quality and abilities of the client's management relevant for the company's performance

The complexity and granularity of the rating techniques varies based on the exposure of the Group and the complexity and size of the customer. Some less difficult loans to small businesses are rated by the Group using models for retail products.

Consumer lending and mortgage lending. Consumer lending includes secured and unsecured loans to individuals. The evaluation of these products together with mortgage loans is carried out using various criteria, the main indicator for which is the number of days overdue. Other basic initial data used in the models are the following: the facts of write-offs on payment requirements-orders from other banks and government agencies, a decrease in the market value of collateral based on the results of revaluation, the presence of default on other financial assets of the same borrower, as well as the ratio of the loan amount to the cost of collateral.

The amount at risk of default. The amount at risk of default (EAD) is the gross carrying amount of financial instruments subject to impairment assessment and reflects both the client's ability to increase its debt when approaching default and the possibility of early repayment. To calculate the EAD for Stage 1 loans, the Group estimates the probability of default within 12 months to estimate the 12-month ECL. For Stage 2, Stage 3 and POCI financial assets, the EAD indicator is considered for events that may occur throughout the life of the instrument.

The level of losses in default. In case of commercial lending, LGD values are assessed at least quarterly and reviewed and approved by the Group's Budgeting, Performance Analysis and Risk Management Department.

The credit risk assessment is based on a standardised LGD assessment framework that results in a certain LGD rate. These LGD rates consider the expected EAD in comparison to the amount expected to be recovered or realized from any collateral held.

The Group segments its retail lending products into smaller homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics, as well as borrower characteristics.

Significant increase in credit risk. The Group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition. The Group considers an exposure to have significantly increased in credit risk if contractual payments are more than 30 days past due since initial recognition.

The Group also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, for example, transfer of a client/loan to the watch list or restructuring due to credit event.

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

26 Risk Management (Continued)

Grouping financial assets measured on a collective basis.

Dependent on the factors below, the Group calculates ECLs either on a collective or on an individual basis.

Asset classes where the Group calculates ECL on an individual basis include:

- all Stage 3 assets, regardless of the class of financial assets;
- financial assets with gross amount exceeding 0,2% of total equity.

Asset classes where the Group calculates ECL on a collective basis include:

- stage 1 and 2 retail mortgages and consumer lending and Stage 1 and 2 commercial lending portfolio;
- financial assets with gross amount exceeding 0.2% of total equity.

Forward-looking information and multiple economic scenarios. In it's ECLs calculation models the Group uses as economic inputs:

- GDP growth;
- growth in nominal cash income;
- unemployment rate;
- inflation;
- nominal prices in the housing market.

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

26 Risk Management (Continued)

The Group obtains the forward-looking information from third party sources (external rating agencies, governmental bodies e.g. central banks, and international financial institutions). Experts of the Credit Risk Department determine the weights attributable to the multiple scenarios. The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations. The figures for “Subsequent years” represent a long-term average and so are the same for each scenario as at 31 December 2024.

Key drivers	ECL scenario	Assigned probabilities, %	2024	2025	2026	Subsequent years
GDP growth, %	Upside	10%	4.79%	5.41%	5.23%	5.22%
	Base case	70%	4.24%	4.82%	5.07%	4.94%
	Downside	20%	3.94%	3.64%	3.84%	3.81%
Growth in nominal cash income, %	Upside	10%	12.23%	11.45%	10.64%	10.96%
	Base case	70%	9.44%	8.67%	8.77%	8.82%
	Downside	20%	7.87%	8.48%	8.61%	8.51%
Unemployment rate, %	Upside	10%	4.55%	4.52%	4.52%	4.52%
	Base case	70%	4.79%	4.76%	4.76%	4.76%
	Downside	20%	5.10%	5.07%	5.07%	5.07%
Inflation, %	Upside	10%	8.00%	6.79%	6.15%	6.46%
	Base case	70%	8.42%	7.43%	6.29%	6.73%
	Downside	20%	8.85%	9.69%	9.80%	9.68%
Nominal prices in the housing market, Tenge thousand/sq.m.	Upside	10%	528.56	569.38	609.52	593.39
	Base case	70%	549.57	591.75	631.89	615.63
	Downside	20%	514.88	548.32	584.47	570.28
Oil price, USD/barrel	Upside	10%	82.60	87.60	87.00	86.68
	Base case	70%	80.83	77.95	76.83	77.45
	Downside	20%	79.70	61.50	60.00	62.27

26 Risk Management (Continued)

Below is the geographical concentration of the Group's financial assets and liabilities as at 31 December 2024:

<i>In thousands of Kazakhstani Tenge</i>	Kazakhstan	OECD countries	Non-OECD countries	Total
Assets				
Cash and cash equivalents	75,754,996	24,153,772	5,305,932	105,214,700
Investment securities carried at amortized cost	1,027,054	-	-	1,027,054
Investments	7,001	-	-	7,001
Loans to customers	157,641,046	14,441,264	-	172,082,310
Other financial assets	397,714	199	79	397,992
Total monetary assets	234,827,811	38,595,235	5,306,011	278,729,057
Liabilities				
Due to other banks and credit institutions	3,882,436	18,388,135	-	22,270,571
Customer accounts	165,503,379	4,772,492	914,774	171,190,645
Lease liabilities	483,702	-	-	483,702
Other financial liabilities	110,337	3,934	7,056	121,327
Total monetary liabilities	169,978,864	23,164,561	921,830	194,066,245

Below is the geographical concentration of the Group's financial assets and liabilities as at 31 December 2023:

<i>In thousands of Kazakhstani Tenge</i>	Kazakhstan	OECD countries	Non-OECD countries	Total
Assets				
Cash and cash equivalents	97,732,493	6,795,908	699,238	105,227,639
Due from other banks	-	-	1,140,673	1,140,673
Investment securities carried at amortized cost	1,032,340	-	-	1,032,340
Investments	7,001	-	-	7,001
Loans to customers	100,131,066	6,260,678	-	106,391,744
Other financial assets	384,886	272	87	385,245
Total monetary assets	199,287,786	13,056,858	1,839,998	214,184,642
Liabilities				
Due to credit institutions	3,884,065	-	-	3,884,065
Customer accounts	148,053,289	4,001,021	627,778	152,682,088
Lease liabilities	383,080	-	-	383,080
Other financial liabilities	104,924	11,944	760	117,628
Total monetary liabilities	152,425,358	4,012,965	628,538	157,066,861

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

The Group monitors a number of internal liquidity indicators in a daily basis. The Group's Treasury Department manages short-term liquidity on an on-going basis using cash position and portfolio of highly marketable securities.

The Group is obliged to comply with liquidity requirements established by the regulators including requirements of the NBRK represented by obligatory norms. The Group maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow. The Group has also entered into credit line agreements which it can draw upon to meet its cash needs.

26 Risk Management (Continued)

Analysis of financial liabilities by terms remaining to maturity. The table below shows the Group's financial liabilities as at 31 December, by maturity, based on contractual undiscounted repayment obligations. Obligations that are redeemable on demand are treated as if the demand for redemption had been made on the earliest possible date. However, the Group expects that many customers will not request repayment at the earliest date on which the Group would be required to make the respective payment and, accordingly, the table does not reflect the expected cash flows calculated by the Group based on historical demand information.

<i>In thousands of Kazakhstani Tenge</i>	On demand	Less than 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
As at 31 December 2024						
Financial liabilities						
Due to other banks and credit institutions	2,240	34,000	3,014,942	22,468,101	-	25,519,283
Customer accounts	52,045,337	27,696,904	94,281,692	1,674,982	124,733	175,823,648
Lease liabilities	-	44,637	94,775	326,710	17,580	483,702
Other financial liabilities	331	8,374	29,815	45,603	37,204	121,327
Total undiscounted financial liabilities	52,047,908	27,783,915	97,421,224	24,515,396	179,517	201,947,960

<i>In thousands of Kazakhstani Tenge</i>	On demand	Less than 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
As at 31 December 2023						
Financial liabilities						
Due to credit institutions	3,884,065	10,483	247,081	766,686	-	4,908,315
Customer accounts	46,169,470	20,702,702	89,324,479	2,762,857	69,274	159,028,782
Lease liabilities	25,815	10,830	121,767	132,439	119,400	410,251
Other financial liabilities	31,762	136	13,455	72,267	8	117,628
Total undiscounted financial liabilities	50,111,112	20,724,151	89,706,782	3,734,249	188,682	164,464,976

Although the analysis of liabilities by maturity shows a significant portion of customer funds in the "demand and less than 1 month" category, the repayment of these funds has historically occurred over a longer period than indicated in this table. These deposits form a reliable and long-term source of financing. During 2024, there were no significant outflows of customer funds and the Group's management does not expect such outflows in the near future.

The Group does not use the above undiscounted maturity analysis of liabilities for liquidity management. Instead, the Group controls expected maturities and expected liquidity gap, which are presented in the table below:

26 Risk Management (Continued)

The table below provides an analysis of financial instruments by expected maturity as at 31 December 2024:

<i>In thousands of Kazakhstani Tenge</i>	On demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 12 months to 5 years	Over 5 years	Total
Assets						
Cash and cash equivalents	105,214,700	-	-	-	-	105,214,700
Investment securities	1,027,054	-	-	-	-	1,027,054
Loans to customers	5,413,851	46,595,697	37,967,271	62,080,542	20,024,949	172,082,310
Investments	-	-	-	-	7,001	7,001
Other financial assets	391,580	-	-	1,435	4,977	397,992
Total	112,047,185	46,595,697	37,967,271	62,081,977	20,036,927	278,729,057
Liabilities						
Due to other banks and credit institutions	2,240	82,436	1,425,000	20,760,895	-	22,270,571
Customer accounts	72,365,046	28,996,224	68,241,989	1,465,132	122,254	171,190,645
Lease liabilities	16,737	58,555	64,120	326,710	17,580	483,702
Other financial liabilities	331	8,374	29,815	45,603	37,204	121,327
Total potential future payments for financial obligations	72,384,354	29,145,589	69,760,924	22,598,340	177,038	194,066,245
Liquidity gap arising from financial instruments	39,662,831	17,450,108	(31,793,653)	39,483,637	19,859,889	84,662,812

Liabilities that are repayable on demand are treated in the table above as if the repayment had been requested. However, the Group expects that many customers will not request repayment on the earliest date on which the Group would be obligated to make the corresponding payment and, accordingly, the table does not reflect expected cash flows calculated by the Group based on historical customer demand information.

The table below provides an analysis of financial instruments by maturity as at 31 December 2023:

<i>In thousands of Kazakhstani Tenge</i>	On demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 12 months to 5 years	Over 5 years	Total
Assets						
Cash and cash equivalents	103,763,851	1,463,788	-	-	-	105,227,639
Due from other banks	1,140,673	-	-	-	-	1,140,673
Investment securities	1,032,340	-	-	-	-	1,032,340
Loans to customers	4,759,540	32,602,539	37,407,873	27,881,618	3,740,174	106,391,744
Investments	-	-	-	-	7,001	7,001
Other financial assets	372,624	-	-	821	11,800	385,245
Total	111,069,028	34,066,327	37,407,873	27,882,439	3,758,975	214,184,642
Liabilities						
Customer accounts	66,626,908	42,979,397	41,191,544	1,820,245	63,994	152,682,088
Due to credit institutions	-	84,065	-	3,800,000	-	3,884,065
Lease liabilities	36,530	53,959	54,983	204,024	33,584	383,080
Other financial liabilities	31,778	5,058	8,517	72,267	8	117,628
Total potential future payments for financial obligations	66,695,216	43,122,479	41,255,044	5,896,536	97,586	157,066,861
Liquidity gap arising from financial instruments	44,373,812	(9,056,152)	(3,847,171)	21,985,903	3,661,389	57,117,781

26 Risk Management (Continued)

Liquidity requirements for payments under guarantees and letters of credit are significantly lower than the amount of the corresponding commitments presented in the maturity analysis above, as the Bank does not normally expect these commitments to be called upon by third parties. The total amount of contractual loan commitments included in the table above does not necessarily represent the amount of cash that will be required in the future, as many of these commitments may not be called or terminated before they expire.

The analysis of maturity differences does not reflect the historical stability of current account funds, which have traditionally been repaid over a longer period than indicated in the tables above. These balances are included in the tables in amounts payable on demand.

The table below shows the contractual terms of the Group's contingent and contractual credit related commitments. In this table, the Group has disclosed the contractual duration of contingent and contractual credit related commitments based on the date of completion of such contracts.

<i>In thousands of Kazakhstani Tenge</i>	Less than 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
2024	219,018	3,368,527	43,499,983	82,226,584	129,314,112
2023	1,268,762	6,978,463	63,115,076	14,112,920	85,475,221

If the term of contingent and contractual obligations is presented at the earliest date on which the client can demand performance of the obligation, all of the above obligations will be presented in the "less than 3 months" category. The Group expects that not all contractual commitments of a credit nature will need to be settled before their expiry date.

Market risk. Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. With the exception of currency positions, the Group does not have significant concentrations of market risk.

Change in interest rate risk. Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. The Group has no floating rate non-trading financial assets and financial liabilities as at 31 December 2024 and 2023.

Currency risk. Currency risk - the risk of losses associated with changes in foreign exchange rates in the course of the Group's activities. The risk of loss arises from the revaluation of the Group's positions in currencies in value terms. The Group's management sets limits on the level of risk taken by currency and monitors their compliance on a daily basis.

The following table sets out the currencies in which the Group has significant positions as at 31 December in monetary assets and liabilities and projected cash flows. The analysis performed consists in calculating the impact of a possible change in exchange rates against the Tenge on a consolidated statement of comprehensive income (due to the presence of certain monetary assets and liabilities, the fair value of which is sensitive to changes in the exchange rate). All other parameters are assumed to be constant. Negative amounts in the table reflect a potential net decrease in the consolidated statement of comprehensive income, while positive amounts reflect a potential net increase:

<i>In thousands of Kazakhstani Tenge</i>	2024		2023	
	Change in currency rate, in %	Effect on profit before tax	Change in currency rate, in %	Effect on profit before tax
Currency				
Russian rouble	4.55%	1,807	4.56%	(2,054)
	-4.55%	(1,807)	-4.45%	2,004
Euro	1.76%	(159)	1.84%	672
	-1.76%	159	-1.83%	(667)
US dollars	1.59%	(16,729)	1.74%	(10,389)
	-1.59%	16,729	-1.70%	10,118

The currency position during the year had approximately equal values due to the fact that the Group set limits on open currency positions and the position was within the established limit.

26 Risk Management (Continued)

The currency position of the Group as at 31 December 2024 is as follows:

<i>In thousands of Kazakhstani Tenge</i>	Tenge	US Dollar	Russian Ruble	Euro	Other Currencies	Total
Assets						
Cash and cash equivalents	65,504,144	26,453,172	276,670	12,922,509	58,205	105,214,700
Investment securities	1,027,054	-	-	-	-	1,027,054
Loans to customers	98,893,262	70,246,953	-	2,942,095	-	172,082,310
Investments	7,001	-	-	-	-	7,001
Other financial assets	303,493	94,422	-	77	-	397,992
Total financial assets	165,734,954	96,794,547	276,670	15,864,681	58,205	278,729,057
Liabilities						
Due to other banks and credit institutions	3,884,676	18,385,895	-	-	-	22,270,571
Customers accounts	75,608,047	79,430,489	236,537	15,873,166	42,406	171,190,645
Lease liabilities	483,702	-	-	-	-	483,702
Other financial liabilities	106,065	14,899	94	269	-	121,327
Total financial liabilities	80,082,490	97,831,283	236,631	15,873,435	42,406	194,066,245
Net balance sheet position	85,652,464	(1,036,736)	40,039	(8,754)	15,799	84,662,812

The currency position of the Group as at 31 December 2023 is as follows:

<i>In thousands of Kazakhstani Tenge</i>	Tenge	US Dollar	Russian Ruble	Euro	Other Currencies	Total
Assets						
Cash and cash equivalents	54,624,081	47,514,196	247,467	2,711,734	130,161	105,227,639
Due from other banks	-	1,140,673	-	-	-	1,140,673
Investment securities	1,032,340	-	-	-	-	1,032,340
Loans to customers	63,410,302	40,371,903	-	2,609,539	-	106,391,744
Investments	7,001	-	-	-	-	7,001
Other financial assets	302,135	81,676	-	1,434	-	385,245
Total financial assets	119,375,859	89,108,448	247,467	5,322,707	130,161	214,184,642
Liabilities						
Due to credit institutions	3,884,065	-	-	-	-	3,884,065
Customers accounts	57,326,747	89,688,126	291,983	5,285,963	89,269	152,682,088
Lease liabilities	383,080	-	-	-	-	383,080
Other financial liabilities	100,591	16,251	530	256	-	117,628
Total financial liabilities	61,694,483	89,704,377	292,513	5,286,219	89,269	157,066,861
Net balance sheet position	57,681,376	(595,929)	(45,046)	36,488	40,892	57,117,781

Interest rate risk. The Group is exposed to the impact of fluctuations in market interest rates on its financial position and cash flows. Such fluctuations may increase the interest margin, but if interest rates change unexpectedly, the interest margin may decrease or result in losses. Management sets limits on the acceptable level of interest rate mismatches and monitors compliance with these limits on a regular basis.

However, during 2024, the Group did not have a trading portfolio.

26 Risk Management (Continued)

The table below provides a general analysis of the interest rate risk of the Group's financial position as at 31 December 2024 and 2023. It also shows the total amounts of the Group's financial assets and liabilities by carrying amount and by maturity.

<i>In thousands of Kazakhstani Tenge</i>	On demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	More than 1 year	Total
31 December 2024					
Cash and cash equivalents	103,443,134	-	-	-	103,443,134
Investments in securities	1,027,054	-	-	-	1,027,054
Loans and advances to customers	5,413,851	46,595,697	37,967,271	82,105,491	172,082,310
Total financial assets	109,884,039	46,595,697	37,967,271	82,105,491	276,552,498
Due to other banks and credit institutions	2,240	82,436	1,425,000	20,760,895	22,270,571
Customers accounts	72,365,046	28,996,224	68,241,989	1,587,386	171,190,645
Lease liabilities	16,737	58,555	64,120	344,290	483,702
Total financial liabilities	72,384,023	29,137,215	69,731,109	22,692,571	193,944,918
Net interest sensitivity gap at 31 December 2024	37,500,016	17,458,482	(31,763,838)	59,412,920	82,607,580
31 December 2023					
Cash and cash equivalents	101,468,961	1,463,788	-	-	102,932,749
Due from banks	1,140,673	-	-	-	1,140,673
Investments in securities	1,032,340	-	-	-	1,032,340
Loans and advances to customers	4,759,540	32,602,539	37,407,873	31,621,792	106,391,744
Total financial assets	108,401,514	34,066,327	37,407,873	31,621,792	211,497,506
Customers accounts	66,626,909	42,979,396	41,191,544	1,884,239	152,682,088
Due to other banks and credit institutions	-	84,065	-	3,800,000	3,884,065
Lease liabilities	36,530	53,959	54,983	237,608	383,080
Total financial liabilities	66,663,439	43,117,420	41,246,527	5,921,847	156,949,233
Net interest sensitivity gap at 31 December 2023	41,738,075	(9,051,093)	(3,838,654)	25,699,945	54,548,273

The Group monitors interest rates on financial instruments. The table below presents interest rates as of the relevant reporting date based on reports reviewed by the Group's key management. For securities, interest rates represent yields to maturity based on quoted market prices as of the reporting date.

% per year	2024				2023			
	EUR	USD	KZT	Other	EUR	USD	KZT	Other
Assets								
Cash and cash equivalents	2.63	2.32	13.60	7.83	2.23	4.17	13.98	-
Investments in securities	-	-	13.76	-	-	-	13.76	-
Loans and advances to customers	8.92	8.58	18.74	-	8.71	8.04	18.60	-
Investments	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-
Liabilities								
Due to other banks and credit institutions	-	6.90	8.50	-	-	-	8.50	-
Customers accounts	0.36	1.85	9.15	-	0.41	1.62	8.14	-
- current and settlement accounts	-	-	-	-	-	-	-	-
- term deposits	0.55	2.43	14.28	-	0.82	2.03	14.40	-
Lease liabilities	-	-	11.60	-	-	-	8.06	-
Other financial liabilities	0.50	0.52	0.50	0.50	0.50	0.55	0.49	0.50

26 Risk Management (Continued)

If at 31 December 2024 local currency interest rates had been 500 basis points lower and foreign currency interest rates 200 basis points lower, with other variables held constant, profit for the year would have been KZT 3,406 million (2023: KZT 2,976 million) lower, mainly as a result of lower interest income on interest claims.

And if at 31 December 2024 local currency interest rates had been 500 basis points higher and foreign currency interest rates 200 basis points higher, with other variables held constant, profit for the year would have been KZT 2,693 million (2023: KZT 2,745 million) higher, mainly as a result of higher interest income on interest claims.

Operational risk.

Operational risk is the risk arising from system failure, human error, fraud or external events. When controls fail, operational risks can damage reputation, have legal consequences, or result in financial loss. The Group cannot assume that all operational risks have been eliminated, but with the help of a control system and by monitoring and appropriately responding to potential risks, the Group can manage such risks. The control system provides for an effective segregation of duties, access rights, approval and reconciliation procedures, staff training, and evaluation procedures, including internal audit.

27 Fair Value Measurement

Fair value measurement procedures. Board of the Group determines the policies and procedures for recurring measurement of the fair value of real estate owned by the Group.

External appraisers are engaged to evaluate buildings and land of the Group. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, management of the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, management of the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. Management of the Group, in conjunction with the external appraisers also compares each change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

As at 31 December 2023, an independent valuation of office buildings and land included in property, plant and equipment was carried out. The appraisal was carried out by an independent firm of professional appraisers, IP "Property Appraisal Department", who have professional qualifications and professional experience in appraising property similar to the property being appraised in terms of location and category.

Taking into account the difference in the dynamics of changes in the value of real estate in the Almaly district of Almaty, the Group decided that the book value of buildings and land adequately reflects the market situation, and therefore, as of 31 December 2024, the Group did not revalue them.

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

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

27 Fair value Measurement (Continued)

For the purpose of disclosing the fair values, the Group determined classes of assets and liabilities based on the assets and liabilities nature, characteristics and risks as well as the hierarchy of fair value sources.

In thousands of Kazakhstani Tenge	Date of measurement	Fair Value Measurement with the use of			
		Level 1	Level 2	Level 3	Total
2024					
Assets measured at fair value					
Property and equipment – land and buildings	31 December 2024	-	-	3,844,179	3,844,179
Long-term assets held for sale	31 December 2024	-	-	8,489,108	8,489,108
Investments	31 December 2024	-	7,001	-	7,001
Assets for which fair values are disclosed					
Cash and cash equivalents	31 December 2024	1,774,848	103,439,852	-	105,214,700
Investment securities measured at amortized cost	31 December 2024	-	993,976	-	993,976
Loans to customers	31 December 2024	-	-	171,700,668	171,700,668
Other financial assets	31 December 2024	-	-	397,992	397,992
Liabilities for which fair values are disclosed					
Due to other banks and credit institutions	31 December 2024	-	22,582,583	-	22,582,583
Customer accounts	31 December 2024	-	-	166,482,816	166,482,816
Lease liabilities	31 December 2024	-	-	483,702	483,702
Other financial liabilities	31 December 2024	-	-	121,327	121,327

In thousands of Kazakhstani Tenge	Date of measurement	Fair Value Measurement with the use of			
		Level 1	Level 2	Level 3	Total
2023					
Assets measured at fair value					
Property and equipment – land and buildings	31 December 2023	-	-	4,432,473	4,432,473
Long-term assets held for sale	31 December 2023	-	-	10,003,177	10,003,177
Investments	31 December 2023	-	7,001	-	7,001
Assets for which fair values are disclosed					
Cash and cash equivalents	31 December 2023	2,300,984	102,926,655	-	105,227,639
Due from other banks	31 December 2023	-	1,140,236	-	1,140,236
Investment securities measured at amortized cost	31 December 2023	-	984,508	-	984,508
Loans to customers	31 December 2023	-	-	102,727,463	102,727,463
Other financial assets	31 December 2023	-	-	385,245	385,245
Liabilities for which fair values are disclosed					
Due to credit institutions	31 December 2023	-	3,773,559	-	3,773,559
Customer accounts	31 December 2023	-	-	152,677,801	152,677,801
Lease liabilities	31 December 2023	-	-	383,080	383,080
Other financial liabilities	31 December 2023	-	-	117,628	117,628

Fair value of financial assets and liabilities not carried at fair value. Below is a comparison of the carrying amount and fair value by class of the Group's financial instruments that are not measured at fair value in the statement of financial position.

27 Fair value Measurement (Continued)

The table does not include fair values for non-financial assets and non-financial liabilities.

In thousands of Kazakhstani Tenge	2024			2023		
	Carrying amount	Fair value	Unrecognized gain/(loss)	Carrying amount	Fair value	Unrecognized gain/(loss)
Financial assets						
Cash and cash equivalents	105,214,700	105,214,700	-	105,227,639	105,227,639	-
Due from other banks	-	-	-	1,140,673	1,140,236	(437)
Investment securities valued at amortized	1,027,054	993,976	(33,078)	1,032,340	984,508	(47,832)
Loans to customers	172,082,310	171,700,668	(381,642)	106,391,744	102,727,463	(3,664,281)
Other financial assets	397,992	397,992	-	385,245	385,245	-
Financial liabilities						
Due to other banks and credit institutions	22,270,571	22,582,583	(312,012)	3,884,065	3,773,559	110,506
Customer accounts	171,190,645	166,482,816	4,707,829	152,682,088	152,677,801	4,287
Lease liabilities	483,702	483,702	-	383,080	383,080	-
Other financial liabilities	121,327	121,327	-	117,628	117,628	-
Total unrecognized change in unrealized fair value			3,981,097			(3,597,757)

One-time fair value measurements

As at 31 December 2024, the Group revalued assets classified as non-current assets held for sale to fair value less costs to sell. This fair value is classified as Level 3 measurement in the fair value hierarchy. The table below sets out the valuation models and inputs used to estimate fair value as of 31 December 2023.

In thousands of euros	Fair value	Valuation model	Input data used
Non-current assets held for sale (or disposal groups)	10,003,177	Comparison with analogues on the market	Prices for similar objects on the market

Non-current assets held for sale include investment properties consisting of land and industrial buildings.

Methods of measurement and assumptions. The following describes the methodologies and assumptions used to determine the fair value of assets and liabilities carried at fair value in the financial statements, as well as items that are not measured at fair value in the statement of financial position, but whose fair value is disclosed:

Property and equipment – land and buildings. Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on market transaction prices, significantly adjusted for difference in the nature, location or condition of the specific property.

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

Loans at fair value through profit or loss. Loans at fair value through profit or loss are valued using a combination of approaches. Where appropriate, loans are valued with reference to observable prices of debt securities issued by the borrower or by comparable entities. In other cases, valuation is performed using internal models based on present value techniques or, in some circumstances (for example, in respect of cash flow from assets held as collateral), external valuation reports. The non-observable inputs to the models include adjustments for credit, market and liquidity risks associated with the expected cash flows from the borrower's operations or in respect of collateral valuation.

Financial assets and financial liabilities carried at amortized cost. Valuation techniques include net present value and discounted cash inflow models and comparisons with similar instruments for which quoted market prices are known. Judgments and data used in the valuation include risk-free and benchmark interest rates, credit spreads and other adjustments used to estimate discount rates, stock and bond prices and foreign exchange rates. Valuation methods are aimed at determining the value that reflects the value of the financial instrument as at the reporting date, which was

determined by independent market participants.

27 Fair value Measurement (Continued)

The fair value of unquoted instruments, loans to customers, deposits from customers, amounts due from credit institutions, due to other banks, other financial assets and liabilities, financial lease liabilities is estimated by discounting future cash flows using rates that currently exist for debt with similar terms, credit risk and maturity. The following assumptions are used by management to estimate the fair value of financial instruments:

- discount rates of 8.0–27.0% for Tenge assets and 5.5–14.0% for foreign currency assets were used to discount future cash flows on loans to corporate customers and loans to retail customers, respectively (December 31, 2023: 8.0–27.0% and 5.5–11.0%, respectively);
- to calculate estimated future cash flows on current accounts and deposits of corporate and retail customers, discount rates of 7.0–17.7% for Tenge deposits, 0.1–4.0% for foreign currency deposits were used, respectively (December 31, 2023: 0.1–17.5% and 0.1–4.0%, respectively).

Significant unobservable inputs and sensitivity of level 3 non-financial instruments measured at fair value to changes to key assumptions.

The following table summarizes the sensitivity of the fair value measurement of Group's buildings and land categorized within Level 3 of the fair value hierarchy to changes in unobservable inputs as at 31 December 2024 and 2023:

Unobservable inputs	Range	Description of sensitivity
Trade discount	0.0%–10.0%	An increase/decrease in the trade discount may result in a decrease/increase in the fair value of the Group's land and buildings.
Adjustment for size	–27.0%–9.0%	An increase/decrease in the size allowance may result in an increase/decrease in the fair value of the Group's land and buildings.
Adjustment for intended purpose	3.7%–6.2%	An increase/decrease in the use allowance may result in an increase/decrease in the fair value of the Group's land and buildings.

28 Maturity Analysis of Assets and Liabilities

Presentation of items in the statement of financial position in order of liquidity. The Group does not have a clearly defined operating cycle and therefore does not present current and non-current assets and long-term and current liabilities separately in the consolidated statement of financial position. Instead, assets and liabilities are presented in order of liquidity. An analysis of financial instruments by expected maturity is provided in Note 26. The table below provides information on amounts expected to be recovered or settled before or after 12 months after the end of the reporting period for items not included in the analysis in Note 26.

Information about the Group's contractual undiscounted repayment obligations is disclosed in Note 26.

In thousands of Kazakhstani Tenge	2024			2023		
	Within one year	More than one year	Total	Within one year	More than one year	Total
Long-term assets held for sale	8,489,108	-	8,489,108	10,003,177	-	10,003,177
Property and equipment	-	4,823,669	4,823,669	-	5,226,740	5,226,740
Intangible assets	-	792,465	792,465	-	729,750	729,750
Prepayment of current tax liabilities	26,594	-	26,594	26,278	-	26,278
Deferred corporate income tax asset	-	1,170	1,170	-	345	345
Other non-financial assets	1,394,896	-	1,394,896	1,410,953	-	1,410,953
Total non-financial assets	9,910,598	5,617,304	15,527,902	11,440,408	5,956,835	17,397,243
Current CIT payable	808	-	808	31,203	-	31,203
Deferred tax liabilities	-	183,695	183,695	-	208,627	208,627
Other liabilities	768,675	-	768,675	392,255	-	392,255
Total non-financial liabilities	769,483	183,695	953,178	423,458	208,627	632,085

29 Related Parties Disclosure

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

Transactions between related parties may not be affected on the same terms, conditions and amounts as transactions between unrelated parties.

The amount of related party transactions and balances as of 31 December 2024 and 2023, as well as the respective amounts of income and expenses for the years than ended are as follows:

In thousands of Kazakhstani Tenge	2024				2023			
	Controlling share- holder	Key manage- ment personnel	Entities under common control	Total	Controllin g share- holder	Key manage- ment personnel	Entities under common control	Total
Assets								
Cash and cash equivalents	654,276	-	310,051	964,327	1,590,550	-	1,240,005	2,830,555
Due from other banks	-	-	-	-	-	-	1,140,673	1,140,673
Loans to customers	-	83,704	7,114,007	7,197,711	-	74,605	-	74,605
Liabilities								
Due to other banks and credit institutions	18,388,135	-	-	18,388,135	-	-	-	-
Customer accounts	-	48,870	207,315	256,185	-	92,118	204,506	296,624

The income and expense items on transactions with related parties for the years ended 31 December 2024 and 2023 were as follows:

In thousands of Kazakhstani Tenge	2024				2023			
	Controlling share- holder	Key manage- ment personnel	Entities under common control	Total	Controllin g share- holder	Key manage- ment personnel	Entities under common control	Total
Interest income	545,533	6,972	821,772	1,374,277	320,133	9,927	124,605	454,665
Interest expense	(7,024)	(1,148)	(1,655)	(9,827)	-	(299)	(1,112)	(1,411)
Comission expenses	(110,633)	-	(13,690)	(124,323)	(56,875)	-	(26,839)	(83,714)
Other income	-	-	4,993	4,993	-	-	-	-
Other operating expenses	-	-	(9,943)	(9,943)	-	-	(210,436)	(210,436)

As at 31 December 2024, loans to key management personnel bore interest rates of 8%–18% per annum (31 December 2023: 8%–18% per annum) and matured in 2025–2034 (31 December 2023: 2025–2029).

In December 2024, the Controlling Shareholder placed a deposit with the Bank in the amount of USD 35,000,000 for a period of two years at a rate of 6.9%.

As at 31 December 2024, loans to entities under common control bore interest rates of 19%–19.2% per annum and matured in 2029.

29 Related Parties Disclosure (Continued)

Below is information for 2024 on the remuneration of 10 members (2023: 11 members) of key management personnel:

<i>In thousands of Kazakhstani Tenge</i>	2024	2023
Salaries and other short-term benefits	202,757	174,302
Social security contributions	18,661	16,704
Total remuneration to key management personnel	221,418	191,006

30 Capital Adequacy

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

During 2024 and 2023, the Group had complied in full with its externally imposed capital requirements.

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

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. No changes were made in the objectives, policies and processes from the previous years.

Under the current capital requirements set by the NBRK banks have to maintain:

- a ratio of basic capital to the sum of credit risk weighted assets and contingent liabilities, market risk and a quantitative measure of operating risk weighted assets and contingent liabilities and (k1);
- a ratio of tier 1 capital less investments to the sum of credit risk-weighted assets and contingent liabilities, market risk and a quantitative measure of operational risk weighted assets, contingent assets and liabilities (k1-2);
- a ratio of own capital to the sum of credit risk weighted assets and contingent liabilities, market risk and a quantitative measure of operating risk weighted assets and contingent liabilities and (k2).

Investments for the purposes of calculation of the above ratios represent investments into share capital (interest in the share capital) of a legal entity and subordinated debt of a legal entity if their total exceeds 10% of the total of stage 1 and stage 2 capital of the Group.

The following table shows the composition of the Group's capital position calculated in accordance with the NBRK requirements as of 31 December 2024 and 2023:

<i>In thousands of Kazakhstani Tenge</i>	2024	2023
Tier 1 capital	98,317,754	73,126,248
Tier 2 capital	-	-
Total statutory capital	98,317,754	73,126,248
Risk-weighted assets and contingent liabilities, potential claims and liabilities	317,221,650	204,786,837
Capital adequacy ratio k1 (at least 5.5%)	31%	36%
Capital adequacy ratio k1-2 (at least 6.5%)	31%	36%
Capital adequacy ratio k2 (at least 8%)	31%	36%

30 Capital Adequacy

<i>In thousands of Kazakhstani Tenge</i>	2024	2023
Tier 1 capital		
Share capital	48,500,000	48,500,000
Revaluation reserves	316,747	779,176
Retained earnings	23,938,468	8,287,187
Accumulated disclosed reserve	1,177,175	1,177,175
Income of the current year	25,177,829	15,112,460
Intangible assets, including goodwill	(792,465)	(729,750)
Total Tier 1 capital	98,317,754	73,126,248
Tier 2 capital		
Revaluation reserve	-	-
Subordinated debt	-	-
Total Tier 2 capital	-	-
Total capital	98,317,754	73,126,248

<i>In thousands of Kazakhstani Tenge</i>	2024	2023
Credit risk-weighted assets	265,113,796	167,923,194
Credit risk-weighted contingent and possible liabilities	41,260,891	29,184,509
Assets and contingent and possible claims and liabilities calculated taking into account market risk	76,625	236,477
Operational risk	10,770,338	7,442,657
Total amount of risks	317,221,650	204,786,837

31 Events after the End of the Reporting Period

On 20 March 2025, the Board of Directors of the Bank approved the decision on the voluntary liquidation of subsidiaries Stressed Assets Management Organization of Kazakhstan-Ziraat International-1 LLP and Stressed Assets Management Organization of Kazakhstan-Ziraat International-2 LLP and the termination of their activities by 30 September 2025.