

Agrarian Credit Corporation Joint Stock Company

Unconsolidated Financial Statements

for 2024

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INDEPENDENT AUDITORS' REPORT

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«КПМГ Аудит» жауапкершілігі
шектелген серіктестік
Қазақстан, А25D6Т5, Алматы,
Достық д-лы, 180,
+7 (727) 298 0898

KPMG Audit LLC
180 Dostyk Avenue, Almaty,
A25D6T5, Kazakhstan

Independent Auditors' Report

To the Shareholder and the Board of Directors of Agrarian Credit Corporation Joint Stock Company

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (*IESBA Code*) together with the ethical requirements that are relevant to our audit of the unconsolidated financial statements in the Republic of Kazakhstan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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



Expected credit losses (ECL) for loans to customers	
Please refer to the Notes 3, 4, 7, 18 and 22 in the unconsolidated financial statements.	
Key audit matter	How the matter was addressed in our audit
<p>Loans to customers represent 55% of total assets and are stated net of an allowance for expected credit losses (ECL) that is estimated on a regular basis and is sensitive to assumptions used.</p> <p>The Company uses ECL valuation model, which requires management to apply professional judgement and to make assumptions related to the following key areas:</p> <ul style="list-style-type: none"> — timely identification of significant increase in credit risk and default events (allocation between stages 1, 2 and 3 in accordance with the IFRS 9 <i>Financial Instruments</i>); — assessment of probability of default (PD) and loss given default (LGD); — assessment of add-on adjustment to account for different scenarios and forward-looking information; — expected cash flows forecast for loans to customers which are credit-impaired. <p>Due to the significant volume of loans to customers and the related estimation uncertainty of expected credit losses thereon, this area is a key audit matter.</p>	<p>We analysed the key aspects of the Company's methodology and policies related to ECL estimate for compliance with the requirements of IFRS 9, including involvement of our own specialists in financial risk management. We tested the principle of operation of the respective models used by the Company.</p> <p>To analyse the adequacy of professional judgement and assumptions made by the management in relation to the allowance for ECL estimate, our audit procedures included the following:</p> <ul style="list-style-type: none"> — We tested design and operating effectiveness of controls over timely reflection of overdue days related to loans to customers. — For a sample of loans to customers, for which the potential changes in ECL estimate may have a significant impact on the unconsolidated financial statements, we tested whether stages are correctly assigned by the Company by analysing financial and non-financial information, as well as assumptions and professional judgements, applied by the Company. — For a sample of loans to customers we tested the correctness of data inputs for PD, LGD and EAD calculations by agreeing to underlying documents and publicly available market information. — We also analysed the overall adequacy of the adjustment to account for various scenarios and forward-looking information and compared it with our estimates taking into account the current and future economic situation. — We checked the mathematical accuracy of formulas used to calculate ECL and perform procedures for ECL recalculation as a whole. <p>We also assessed whether the unconsolidated financial statements disclosures appropriately reflect the Company's exposure to credit risk.</p>



Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report for the year 2024, but does not include the unconsolidated financial statements and our auditors' report thereon. The Annual Report for the year 2024 is expected to be made available to us after the date of this auditors' report.

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated 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 unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



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



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

KPMG Audit LLC

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



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

30 April 2025

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

KZT'000

	<i>Note</i>	<i>31 December 2024</i>	<i>31 December 2023</i>
Assets			
Cash and cash equivalents	5	377,152,699	125,187,941
Loans to banks	6	78,341,329	29,575,908
Loans to customers	7	837,571,562	726,810,986
Finance lease receivables		3,467,292	9,040,648
Investments in subsidiary	8	167,470,014	167,470,014
Receivables from the Government of the Republic of Kazakhstan	13,16	37,615,232	–
Assets classified as held for sale		977,094	726,309
Investment property		–	2,599,511
Property, plant and equipment		1,183,946	1,476,063
Intangible assets		429,927	462,081
Current corporate income tax assets	15	–	2,136,597
Coupon prepayments on debt securities issued	13	15,897,984	–
Other assets	9	6,147,583	7,264,603
Total assets		1,526,254,662	1,072,750,661
Liabilities			
Amounts due to the Shareholder	10	71,196,018	81,093,012
Amounts due to credit institutions	11	66,496,346	80,502,822
Amounts due to the Government of the Republic of Kazakhstan	12	62,631,531	77,340,798
Debt securities issued	13	633,507,168	170,157,456
Amounts due to state and budget organisations	14	169,595,336	188,524,346
Current estimated liabilities		2,497,881	1,719,345
Current corporate income tax liabilities	15	2,364,381	–
Deferred corporate income tax liabilities	15	5,906,315	12,030,660
Government grants	16	44,045,383	22,734,825
Other liabilities		3,852,257	7,055,711
Total liabilities		1,062,092,616	641,158,975
Equity			
Share capital	17	428,284,724	428,284,724
Reserve capital	17	28,568,552	19,704,422
Retained earnings/(accumulated losses)		7,308,770	(16,397,460)
Total equity		464,162,046	431,591,686
Total liabilities and equity		1,526,254,662	1,072,750,661
Carrying value of one ordinary share (KZT)	17	1,085.87	1,009.53

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

Sapulatov Kairat Kaertarovich

Deputy Chairperson of the Management Board,
member of the Management Board

Kusainova Galiya Dairovna

Acting Chief Accountant

30 April 2025

The selected explanatory notes set out on pages 13 to 63 form an integral part of these unconsolidated financial statements.

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS**for the year ended 31 December 2024**

KZT'000

	<i>Note</i>	<i>2024</i>	<i>2023</i>
Interest income calculated using effective interest method			
Cash and cash equivalents		34,756,480	17,547,205
Loans to banks		7,541,383	7,047,156
Loans to customers		147,584,501	122,047,616
Investment securities		14	54,833
		189,882,378	146,696,810
Other interest income			
Finance lease receivables		732,904	787,076
		190,615,282	147,483,886
Interest expense			
Amounts due to the Shareholder		(7,152,630)	(7,711,933)
Amounts due to the Government of the Republic of Kazakhstan		(25,266,956)	(27,286,933)
Amounts due to state and budget organisations		(16,816,884)	(17,489,341)
Amounts due to credit institutions		(14,272,026)	(8,766,065)
Debt securities issued		(41,816,376)	(18,752,994)
		(105,324,872)	(80,007,266)
Net interest income		85,290,410	67,476,620
Expenses on credit losses	18	(31,752,624)	(39,305,353)
Net interest income net of expenses on credit losses		53,537,786	28,171,267
Dividend income	8	13,249,722	10,309,687
Net foreign exchange gain		542	379
Personnel expenses	19	(10,444,380)	(8,623,822)
Other administrative expenses	19	(6,661,313)	(5,281,257)
Net losses from modification of financial assets measured at amortised cost		(1,048,812)	(3,662,934)
Other income, net	20	15,837,478	11,509,399
Non-interest expense		10,933,237	4,251,452
Profit before income tax		64,471,023	32,422,719
Corporate income tax expense	15	(11,209,651)	(11,486,065)
Profit for the year		53,261,372	20,936,654

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

Sapulatov Kairat Kaertarovich

Deputy Chairperson of the Management Board,
member of the Management Board

Kusainova Galiya Dairovna

Acting Chief Accountant

30 April 2025

The selected explanatory notes set out on pages 13 to 63 form an integral part of these unconsolidated financial statements.

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2024

KZT'000

	<u>2024</u>	<u>2023</u>
Profit for the year	53,261,372	20,936,654
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>53,261,372</u>	<u>20,936,654</u>

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

Sapulатов Kairat Kaertarovich

Deputy Chairperson of the Management Board,
member of the Management Board

Kusainova Galiya Dairovna

Acting Chief Accountant

30 April 2025



**UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2024**

KZT'000

	Note	Share capital	Reserve capital	Retained earnings/ (accumulated losses)	Total
At 1 January 2023		408,284,724	13,846,278	(17,798,785)	404,332,217
Total comprehensive income for the year		—	—	20,936,654	20,936,654
Increase in share capital	17	20,000,000	—	—	20,000,000
Increase in reserve capital	17	—	5,858,144	(5,858,144)	—
Dividends paid	17	—	—	(13,677,185)	(13,677,185)
At 31 December 2023		428,284,724	19,704,422	(16,397,460)	431,591,686
At 1 January 2024		428,284,724	19,704,422	(16,397,460)	431,591,686
Total comprehensive income for the year		—	—	53,261,372	53,261,372
Increase in share capital	17	—	—	—	—
Increase in reserve capital	17	—	8,864,130	(8,864,130)	—
Dividends paid	17	—	—	(20,691,012)	(20,691,012)
At 31 December 2024		428,284,724	28,568,552	7,308,770	464,162,046

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

Sapulatov Kairat Kaertarovich

Deputy Chairperson of the Management Board,
member of the Management Board

Kusainova Galiya Dairovna

Acting Chief Accountant

30 April 2025



UNCONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

KZT'000

	2024	2023
Cash flows from operating activities		
Interest received	127,459,911	89,470,275
Interest paid	(59,403,527)	(27,848,660)
Personnel expenses paid	(9,872,066)	(8,497,624)
Other operating expense, net	(7,136,265)	(3,058,700)
Cash flows from operating activities before changes in operating assets and liabilities	51,048,053	50,065,291
<i>Net (increase)/ decrease in operating assets</i>		
Loans to banks	(53,243,146)	(19,510,208)
Loans to customers	(131,220,741)	(23,982,790)
Finance lease	468,622	188,939
Coupon prepayments on debt securities issued	(15,897,984)	-
Other assets	35,439,947	1,007,206
<i>Net increase/ (decrease) in operating liabilities</i>		
Government grants	(665,835)	(24,702)
Other liabilities	(2,051,901)	841,353
Net cash (used in)/from operating activities before corporate income tax paid	(116,122,985)	8,585,089
Corporate income tax paid	(12,836,268)	(4,510,063)
Net cash (used in)/from operating activities	(128,959,253)	4,075,026
Cash flows from investing activities		
Acquisition of property, plant and equipment	(498,244)	(259,974)
Acquisition of intangible assets	(121,158)	(28,290)
Proceeds from sale of investment property (Note 20)	9,355,862	-
Proceeds from repayment of investment securities	54,825	582,705
Investments in subsidiary (Note 8)	-	(20,000,000)
Dividends received (Note 8)	13,249,722	10,309,687
Net cash from/(used in) investing activities	22,041,007	(9,395,872)
Cash flows from financing activities		
Proceeds from issue of share capital and other financial instruments	-	20,000,000
Proceeds from loans from the Government of the Republic of Kazakhstan (Note 23)	140,000,000	140,000,000
Repayment of loans from the Government of the Republic of Kazakhstan (Note 23)	(160,000,000)	(120,000,000)
Proceeds from external loans (Note 23)	12,100,000	55,967,000
Repayment of external loans (Note 23)	(26,083,333)	(24,244,000)
Repayment of loans from the Shareholder (Note 23)	(15,480,923)	(14,314,148)
Debt securities issued (Note 23)	464,533,580	-
Repayment of debt securities issued (Note 23)	-	(10,000,000)
Proceeds from loans from state and budget organisations (Note 23)	480,000	1,500,000
Repayment of loans from state and budget organisations (Note 23)	(35,969,449)	(12,442,228)
Dividends paid (Note 17)	(20,691,012)	(13,677,185)
Net cash from financing activities	358,888,863	22,789,439
Effect of expected credit losses on cash and cash equivalents	(5,859)	(935)
Net change in cash and cash equivalents	251,964,758	17,467,658
Cash and cash equivalents at the beginning of the year	125,187,941	107,720,283
Cash and cash equivalents as at the end of the year (Note 5)	377,152,699	125,187,941

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

Sapulatov Kairat Kacrtarovich

Deputy Chairperson of the Management Board,
member of the Management Board

Kusainova Galiya Dairovna

Acting Chief Accountant

30 April 2025

The selected explanatory notes set out on pages 13 to 63 form an integral part of these unconsolidated financial statements.

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

KZT'000

1. Reporting entity

Agrarian Credit Corporation Joint Stock Company (hereinafter, the "Company") was established by the Decree of the Government of the Republic of Kazakhstan No.137 dated 25 January 2001 "On the Issues of the Agricultural Sector Lending" as a joint stock company in accordance with the legislation of the Republic of Kazakhstan. The Company is operating on the basis of a license to carry out operations provided for by the banking legislation of the Republic of Kazakhstan, No.5.2.24 dated 5 November 2013, issued by the Committee for Regulation and Supervision of the Financial Market and Financial Institutions under the National Bank of the Republic of Kazakhstan ("NBRK"). The activities of the Company are regulated by the Agency for Regulation and Development of the Financial Market of the Republic of Kazakhstan.

The Company's principal activity is promotion of industrialisation and diversification of the agricultural sector through development of the affordable lending system for agro-industrial complex entities, performance of bank borrowing operations on the basis of the relevant license, participation in the implementation of the government programmes to support the agricultural sector through lending, attraction of the domestic and foreign investments, participation in the development and implementation of the projects in the agro-industrial complex, leasing activities, funding of financial institutions, financing of legal entities using Islamic financial instruments to provide Islamic finance to agro-industrial complex entities, and other activities not prohibited by the legislative acts that meet the goals and objectives of the Company provided for by its Charter.

The Company's financing activities stipulate specific requirements and restrictions on the use of funds. The interest rate on loans provided is lower than the market rate due to implementation of the agricultural development programmes in the Republic of Kazakhstan.

As at 31 December 2024 and 31 December 2023, the Company has 19 registered branches in the Republic of Kazakhstan.

As at 31 December 2024 the Company owns a 100% interest in KazAgroFinance JSC; the principal activity of KazAgroFinance JSC is leasing activity in the agro-industrial complex, lending of entities operating in the agro-industrial complex, participation in the implementation of the programmes funded from the national budget and other programmes aimed at development of the agro-industrial complex.

As at 31 December 2024, Baiterek National Managing Holding JSC ("Baiterek" or "Shareholder") owns 100% of the Company's shares.

The Company's ultimate owner is the Government of the Republic of Kazakhstan.

The Company's registered office is: 11 Imanov Street, Astana, Republic of Kazakhstan.

Business environment

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

In addition, new tariffs on imports of certain categories of goods introduced by the United States of America (Trump administration) in April 2025 created additional risks for the state of the global economy and international trade. These changes in foreign trade policy may have an impact on the macroeconomic situation in Kazakhstan and on the Company's operations.

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

2. Basis of preparation

The accompanying unconsolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

The unconsolidated financial statements have been prepared on the historical cost basis, except as mentioned in the *Material accounting policies*.

The unconsolidated financial statements are presented in thousands of Kazakhstani tenge ("KZT thousand"), except for the data used in calculation of common share carrying amounts or unless otherwise indicated.

The Company has also prepared the consolidated financial statements for the year ended 31 December 2024 in accordance with IFRS that can be obtained from the Company's registered office.

The accompanying unconsolidated financial statements have been prepared on a going concern basis, which provides for asset sales and settlement of obligations in the ordinary course of business. The Company's ability to sell its assets and its future operations may be significantly affected by the current and future economic environment in Kazakhstan.

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

KZT'000

3. Material accounting policies

The material accounting policies set out below have been applied consistently to all periods presented in these unconsolidated financial statements.

Fair value measurement

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the unconsolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: valuation models, in which significant assessment of fair value are based on inputs related to the lowest level of hierarchy and are observable in the market either directly or indirectly.
- Level 3: valuation model for which the lowest level input that is significant to the fair value measurement is unobservable.

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

Financial assets and liabilities***Initial recognition******Date of recognition***

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

The classification of financial assets on initial recognition depends on the contractual terms and business model used for managing instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to this amount.

Measurement categories of financial assets and liabilities

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

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

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

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVTPL when they are held for trading, are derivative instruments or the fair value designation is applied.

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2024

KZT'000

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

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

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

These terms are detailed below.

Business model assessment

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

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

- how the performance of the business model and the financial assets held within that business model is evaluated and how this information is reported to the key management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected;
- the expected frequency, volume and timing of sales are also important aspects of the Company's business model assessment.

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

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

As a second step of its classification process, the Company assesses the contractual terms of the financial asset to identify whether the contractual cash flows on an asset are 'solely payments of principal and interest on the principal amount outstanding' (i.e. whether they meet the SPPI test).

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

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

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

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

Credit related commitments

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

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

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

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Reclassification of financial assets and liabilities

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

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and amounts due from credit institutions that mature within not more than ninety days of the date of origination and are free from contractual encumbrances.

Borrowings

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

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the unconsolidated statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The right of set-off must not be contingent on a future event and must be legally enforceable in all of the following circumstances:

- the normal course of business;
- the event of default; and
- the event of insolvency or bankruptcy of the entity and all of the counterparties.

These conditions are not generally met in master netting agreements, and the related assets and liabilities are presented gross in the unconsolidated statement of financial position.

Renegotiated loans

Where possible, the Company seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions.

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

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

If the modification does not imply a substantial change in cash flows, such modification does not result in a derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss that is presented within other income or losses in the unconsolidated statement of profit or loss.

If the modification does not result in derecognition, the Company also reassesses the significant increase in credit risk or the need to classify assets as credit-impaired.

Modification of the terms of financial liabilities

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

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

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

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

Changes in cash flows on existing financial liabilities are not considered as modification, if they result from existing contractual terms. The Company concludes that the modification is substantial as a result of the following qualitative factors:

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

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

Derecognition of financial assets and financial liabilities***Financial assets***

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

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

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

Write-off

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

Financial liabilities

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

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

Impairment***Non-derivative financial assets***

See also Notes 4 and 24.

The Company recognises allowances for expected credit losses (ECL) on the following financial instruments that are not measured at fair value through profit or loss:

- financial assets that are debt instruments;
- financial guarantee contracts issued.

No impairment loss is recognised on equity investments.

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

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The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12 months ECL:

- debt investment securities that are determined to have moderate credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

12-months ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-months ECL is recognised are referred to as 'Stage 1' financial instruments.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised are referred to as 'Stage 2' financial instruments (if credit risk on financial instruments has increased significantly upon initial recognition but financial instrument is not credit-impaired) and 'Stage 3' (if financial instrument is credit-impaired).

Measurement of expected credit losses (ECL)

ECL are a default probability-weighted estimate of credit losses. They are measured as follows:

- *financial assets that are not credit-impaired at the reporting date:* as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive);
- *financial assets that are credit-impaired at the reporting date:* as the difference between the gross carrying amount and the present value of estimated future cash flows;
- *financial guarantee contracts:* the present value of expected payments to reimburse the holder less any amounts that the Company expects to recover.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

Taxation

The current corporate income tax charge is calculated in accordance with the tax legislation of the Republic of Kazakhstan.

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

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024***KZT'000*

Deferred corporate income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Deferred corporate income tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

The Company performs offsetting of deferred tax assets and deferred tax liabilities and records them in the unconsolidated statement of financial position on a net basis, when:

- The Company has a legally enforced right to offset current tax assets against current tax liabilities, and
- Deferred tax assets and deferred tax liabilities refer to corporate income tax charged by the same tax body from the same taxpayer.

In addition, the Republic of Kazakhstan has various operating taxes applicable to the Company's operations. These taxes are included in other operating expenses.

Share capital*Charter capital*

Contributions to charter capital are recognised at historical cost, less direct costs to issue shares.

Reserve capital

Reserve capital may be increased by transferring funds from retained earnings based on a decision of the Company's Shareholder. Under the Company's policy the reserve capital is formed to cover the general risks including future losses and other contingent risks and circumstances. Reserve capital is distributable based on the Shareholder's decision.

Dividends

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

Contingent liabilities

Contingent liabilities are not recognised in the unconsolidated statement of financial position but are disclosed unless the possibility of any outflow in settlement is remote.

Loan commitments

Loan commitments are firm commitments to provide credit under pre-specified terms and conditions.

Commitments to provide a loan at a below-market interest rate are initially measured at fair value. Subsequently they are measured at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

The Company has issued no loan commitments that are measured at FVTPL. For other loan commitments the Company recognises loss allowance. Financial liabilities arising from loan commitments are included in other liabilities.

Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest and similar income and expenses

The Company calculates interest income on debt financial assets measured at amortised cost or at FVOCI by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment option) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the Company revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest income or expense.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cure and are no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

For purchased or originated credit-impaired (POCI) financial assets, the Company calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

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Presentation

Interest income calculated using the effective interest rate method presented in the unconsolidated statement of profit or loss includes interest income on financial assets measured at amortised cost.

“Other interest income” item presented in the unconsolidated statement of profit or loss includes interest income on finance lease receivables.

Interest expense presented in the unconsolidated statement of profit or loss includes interest expense on financial liabilities measured at amortised cost.

Government grants

Government grants are assistance by the Government, Government agencies and state-owned entities in the form of transfers of resources to the Company in return for past or future compliance with certain conditions relating to the operating activities of the Company. Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received. If there are conditions that may require repayment, the grant is recognised in liabilities.

The benefit of a government loan at a below-market rate of interest is treated as a government grant where the government does not act as a shareholder. The benefit of the below-market rate of interest is measured as the difference between the initial carrying value of the loan and the proceeds received.

Government grants that compensate the Company for expenses incurred are recognised in profit or loss as expenses on a systematic basis in the same periods in which the expenses are recognised.

Investments in subsidiary

The Company's investments in subsidiaries are entities, in which the Company owns, directly or indirectly, more than 50% of the voting power or interests in their charter capital, and such entities are controlled by the Company.

The Company controls an entity even if it holds less than 50% of the voting power, where a parent possesses all components of control.

In these unconsolidated financial statements, investments of the Company in subsidiaries are recognised at cost, net impairment losses.

Carrying amount of investments in subsidiaries, which are recognised at cost, is not adjusted for subsequent change in fair value in the unconsolidated financial statements, however, investments in subsidiaries are subsequently tested for impairment.

Segment reporting

The Company's business and geographical segments were not presented separately in these financial statements as management believes that the main operating segment of lending and finance leasing is agricultural organisations in the Republic of Kazakhstan, for which the risks and level of return are considered similar throughout the country. Making decisions on the allocation of the Company's resources and assessment of the Company's performance by the management making operating decisions are based on the IFRS financial statements.

New standards and interpretations not yet adopted

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

IFRS 18 *Presentation and Disclosure in Financial Statements*

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

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

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

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

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

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

- *Lack of Exchangeability (Amendments to LAS 21).*
- *Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).*

4. Significant accounting judgments and estimates**Estimation uncertainty**

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

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the unconsolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Further details are provided in *Note 24*.

Expected credit losses on financial assets

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

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

Further details are provided in *Note 22*.

Collateral assessment

The Company's monitors the collaterals on a regular basis, using its judgments based on experience or independent estimates to adjust the value of collateral to reflect current market conditions. Further details are provided in *Notes 7 and 22*.

Government grants

Management of the Company analyses all borrowing terms from the Government of the Republic of Kazakhstan and local executive bodies, as well as other government-related entities granted at below-market interest rates in order to comply with such requirements as issuing loans to ultimate borrowers at a specific nominal rate, for a specified period and to a particular segment of borrowers. Under these circumstances, the Company recognises a government grant liability. Further details are provided in *Notes 6, 7, 10, 12, 13, 14 and 16*.

Taxation

The Republic of Kazakhstan currently has a single Tax Code that regulates main taxation matters. The existing taxes include value added tax, corporate income tax, social and other taxes. Implementing regulations are often unclear or non-existent and insignificant amount of precedents has been established. Often, differing opinions regarding legal interpretation exist both among and within government ministries and organisations; thus creating uncertainties and areas of conflicts. Tax declarations, together with other legal compliance areas (as examples, customs and currency control matters) are subject to review and investigation by a number of authorities, which are enabled by law to impose severe fines, penalties and interest charges. These facts create tax risks in Kazakhstan substantially more significant than typically found in countries with more developed tax systems.

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

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Management believes that the Company is in compliance with the tax laws of the Republic of Kazakhstan regulating its operations. However, the risk remains that relevant authorities could take differing positions with regard to interpretive tax issues.

Basis of measurement

The unconsolidated financial statements are prepared on the historical cost basis.

5. Cash and cash equivalents

	<i>31 December 2024</i>	<i>31 December 2023</i>
Reverse repurchase agreements	329,137,238	72,478,190
Cash on current bank accounts	48,004,940	48,850,260
Cash on current bank accounts with the Republican State Enterprise (RSE) – “The Treasury Committee of the Ministry of Finance of the Republic of Kazakhstan”	19,652	3,862,244
Overnight deposits with other banks	230	749
	377,162,060	125,191,443
Allowance for expected credit losses	(9,361)	(3,502)
Cash and cash equivalents	377,152,699	125,187,941

As at 31 December 2024, cash and cash equivalents are not past due and categorised into Stage 1 (31 December 2023: cash and cash equivalents are not past due and categorised into Stage 1).

As at 31 December 2024 and 31 December 2023, the credit quality of cash and cash equivalents balances may be summarised based on Standard and Poor’s or other agencies converted into Standard & Poor’s scale as follows:

	<i>31 December 2024</i>				
	<i>Current accounts</i>	<i>Current account with RSE “The Treasury Committee of the Ministry of Finance of the Republic of Kazakhstan”</i>	<i>Overnight deposits with other banks</i>	<i>Reverse repurchase agreements</i>	<i>Total</i>
Not overdue					
- Cash on current account with RSE “The Treasury Committee of the Ministry of Finance of the Republic of Kazakhstan” (not rated)	–	19,652	–	–	19,652
- rated from BBB– to BBB+	4,642,572	–	–	–	4,642,572
- rated from BB– to BB+	39,857,529	–	–	–	39,857,529
- Rated from B– to B+	1,740	–	–	–	1,740
- not rated	3,503,099	–	230	329,137,238	332,640,567
Total cash and cash equivalents, net of cash before deduction of impairment allowance	48,004,940	19,652	230	329,137,238	377,162,060
Allowance for expected credit losses	(2,453)	–	–	(6,908)	(9,361)
Total cash and cash equivalents	48,002,487	19,652	230	329,130,330	377,152,699

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

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	<i>31 December 2023</i>				
	<i>Current accounts</i>	<i>Current account with RSE "The Treasury Committee of the Ministry of Finance of the Republic of Kazakhstan"</i>	<i>Overnight deposits with other banks</i>	<i>Reverse repurchase agreements</i>	<i>Total</i>
Not overdue					
- Cash on current account with RSE "The Treasury Committee of the Ministry of Finance of the Republic of Kazakhstan" (not rated)	-	3,862,244	-	-	3,862,244
- rated from BBB- to BBB+	8,801,313	-	-	-	8,801,313
- rated from BB- to BB+	40,048,483	-	-	-	40,048,483
- not rated	464	-	749	72,478,190	72,479,403
Total cash and cash equivalents, net of cash before deduction of impairment allowance	48,850,260	3,862,244	749	72,478,190	125,191,443
Allowance for expected credit losses	(2,017)	(42)	-	(1,443)	(3,502)
Total cash and cash equivalents	48,848,243	3,862,202	749	72,476,747	125,187,941

As at 31 December 2024 and 31 December 2023 the balance of not rated cash and cash equivalents includes the balances with Citibank Kazakhstan JSC and Kazpost JSC.

As at 31 December 2024, the Company entered into reverse repo agreements at Kazakhstan Stock Exchange, which were secured by the treasury bills of the Ministry of Finance of the Republic of Kazakhstan and bonds of Kazakhstan Sustainability Fund JSC and Eurasian Development Bank, as well as notes of the National Bank of the Republic of Kazakhstan. The fair value of the above financial instruments was KZT 329,057,642 thousand. The carrying amount under reverse repo agreements as at the reporting date was KZT 329,130,330 thousand (31 December 2023: the fair value was KZT 72,467,012 thousand; the carrying amount – KZT 72,476,747 thousand). The carrying amount under these agreements as at 31 December 2024 and 31 December 2023 exceeds 10.00% of the Company's equity.

The Company does not have any accounts with bank, whose total balances of cash and cash equivalents exceed 10.00% of the Company's equity (31 December 2023: none).

6. Loans to banks

	<i>31 December 2024</i>	<i>31 December 2023</i>
Loans to second-tier banks	78,507,796	29,586,359
Allowance for expected credit losses	(166,467)	(10,451)
Due from banks	78,341,329	29,575,908

As at 31 December 2024, loans to second-tier banks are not overdue and are categorised into Stage 1 (31 December 2023: loans to second-tier banks are not overdue and categorised into Stage 1).

As at 31 December 2024 and 31 December 2023, the credit quality of loans to banks may be summarised based on Standard and Poor's or other agencies converted into Standard & Poor's scale as follows:

	<i>31 December 2024</i>	<i>31 December 2023</i>
Not overdue:		
- rated from BBB- to BBB+	61,164,090	27,209,261
- rated from BB- to BB+	7,939,818	2,377,098
- rated from B- to B+	9,403,888	-
	78,507,796	29,586,359
Allowance for expected credit losses	(166,467)	(10,451)
Loans to banks	78,341,329	29,575,908

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

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During 2024, as part of Ken–Dala annual government programme for support of the spring field works, the Company provided loans to Halyk Bank of Kazakhstan JSC for the total amount of KZT 52,177,500 thousand and Bank CenterCredit JSC for the total amount of KZT 4,000,000 thousand, at below market interest rate of 1.50% p.a. and maturity on 1 March 2025. The loans are payable in equal instalments. The Company recognised discount of KZT 4,630,496 thousand (*Note 16*) as loss on initial recognition of loans at below–market interest rates and interest income on amortisation of discount of KZT 4,156,770 thousand in the unconsolidated statement of profit or loss within other expenses and interest income on loans to banks, respectively. The Company applied estimated market interest rates from 12.98% – 15.15% p.a. to measure the fair value of the above–mentioned loans on initial recognition by discounting their future contractual cash flows.

During 2024, as part of Ken–Dala 2 annual government programme for support of the spring field works, the Company provided loans to Halyk Bank of Kazakhstan JSC for the total amount of KZT 49,322,500 thousand, Bank CenterCredit JSC for the total amount of KZT 4,350,000 thousand and Freedom Bank Kazakhstan JSC for the total amount of KZT 11,900,000 thousand, at below market interest rate of 1.50% p.a. and maturing on 1 March 2025, 1 March 2026 and 10 March 2026. The loans are payable in equal instalments. The Company recognised discount of KZT 5,992,000 thousand (*Note 16*) as loss on initial recognition of loans at below–market interest rates and interest income on amortisation of discount of KZT 1,775,237 thousand in the unconsolidated statement of profit or loss within other expenses and interest income on loans to banks, respectively. The Company applied estimated market interest rates from 13.66% – 15.97% p.a. to measure the fair value of the above–mentioned loans on initial recognition by discounting their future contractual cash flows.

In December 2024, as part of the Agribusiness (bonds) annual government programme for support of the food production and/or processing industry (processing of agricultural produce), the Company provided loans to Bereke Bank JSC for the total amount of KZT 3,000,000 thousand and Bank CenterCredit JSC for the total amount of KZT 3,833,750 thousand, at below market interest rate of 1.50% p.a. and maturity on 10 August 2025. The loans are payable in equal instalments. The Company recognised discount of KZT 349,504 thousand (*Note 16*) as loss on initial recognition of loans at below–market interest rates and interest income on amortisation of discount of KZT 2,082 thousand in the unconsolidated statement of profit or loss within other expenses and interest income on loans to banks, respectively. The Company applied estimated market interest rates from 13.92% – 14.62% p.a. to measure the fair value of the above–mentioned loans on initial recognition by discounting their future contractual cash flows.

During 2023, as part of Ken–Dala annual government programme for support of the spring field works, the Company provided loans to Halyk Bank of Kazakhstan JSC for the total amount of KZT 56,000,000 thousand and to Bank CenterCredit JSC for the total amount of KZT 4,861,311 thousand, at below market interest rate of 1.50% p.a. and maturity on 24–27 November 2023 and 1 March 2024. The loans are payable in equal instalments. The Company recognised discount of KZT 6,765,769 thousand (*Note 16*) as loss on initial recognition of loans at below–market interest rates and interest income on amortisation of discount of KZT 6,038,656 thousand in the unconsolidated statement of profit or loss within other expenses and interest income on loans to banks, respectively. The Company applied estimated market interest rates from 16.28% to 18.42% p.a. to measure the fair value of the above–mentioned loans on initial recognition by discounting their future contractual cash flows.

As at 31 December 2024 and 31 December 2023 the Company had no balances with banks with total balance exceeding 10.00% of equity.

7. Loans to customers

Loans to customers are represented by loans to the borrowers operating in the agricultural sector and include the following positions:

	<i>31 December 2024</i>	<i>31 December 2023</i>
Loans to legal entities–credit partnerships	465,714,649	327,752,769
Loans to legal entities for investment projects	92,346,326	106,452,355
Loans to other legal entities	200,936,364	196,266,196
Loans to individuals	266,507,488	268,404,726
	1,025,504,827	898,876,046
Allowance for expected credit losses	(187,933,265)	(172,065,060)
Loans to customers	837,571,562	726,810,986

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Impairment allowance for loans to customers

The table below provides analysis of movements in the gross book value and the ECL allowance for loans to legal entities and individuals for the twelve months ended 31 December 2024:

<i>Loans to legal entities—credit partnerships</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
Gross carrying amount at 1 January 2024	143,895,979	107,063,120	73,422,262	3,371,408	327,752,769
New assets originated or purchased	303,367,451	—	—	—	303,367,451
Assets repaid, including changes due to partial repayment or increase in gross carrying amount	(95,427,623)	(51,665,060)	(20,080,643)	(391,998)	(167,565,324)
Transfers to Stage 1	29,096,637	(28,561,652)	(534,985)	—	—
Transfers to Stage 2	(42,870,211)	61,866,792	(18,996,581)	—	—
Transfers to Stage 3	(11,261,458)	(12,479,737)	23,741,195	—	—
Changes provided for by agreement of cash flows from modification that does not result in derecognition	—	—	(1,273,539)	—	(1,273,539)
Changes in interest accrued	1,658,256	1,152,162	907,944	(5,786)	3,712,576
Write-off	—	—	(279,284)	—	(279,284)
At 31 December 2024	328,459,031	77,375,625	56,906,369	2,973,624	465,714,649

<i>Loans to legal entities—credit partnerships</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
ECL allowance as at 1 January 2024	1,507,919	7,093,376	11,819,121	141,792	20,562,208
New assets originated or purchased	4,197,543	—	—	—	4,197,543
Assets repaid	(986,264)	(3,241,311)	(3,391,456)	(47,715)	(7,666,746)
Transfers to Stage 1	1,795,132	(1,773,776)	(21,356)	—	—
Transfers to Stage 2	(723,939)	2,850,140	(2,126,201)	—	—
Transfers to Stage 3	(107,302)	(949,218)	1,056,520	—	—
Movements in ECLs for the year as a result of transfer from stage to stage and changes in inputs	(2,002,451)	593,831	7,921,378	176,700	6,689,458
Unwinding of discount	—	—	950,317	80,405	1,030,722
Write-off	—	—	(279,284)	—	(279,284)
At 31 December 2024	3,680,638	4,573,042	15,929,039	351,182	24,533,901

<i>Loans to legal entities for investment projects</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
Gross carrying amount at 1 January 2024	29,073,160	16,422	76,055,551	1,307,222	106,452,355
New assets originated or purchased	3,260,070	—	—	—	3,260,070
Assets repaid, including changes due to partial repayment or increase in gross carrying amount	(10,104,617)	(142,138)	(3,738,466)	(1,062,247)	(15,047,468)
Transfers to Stage 1	4,481,012	—	(4,481,012)	—	—
Transfers to Stage 2	(620,406)	2,714,688	(2,094,282)	—	—
Transfers to Stage 3	(4,313,247)	—	4,313,247	—	—
Changes provided for by agreement of cash flows from modification that does not result in derecognition	—	—	(2,128,861)	—	(2,128,861)
Changes in interest accrued	(237,392)	208,703	2,438,688	—	2,409,999
Write-off	—	—	(2,591,807)	(7,962)	(2,599,769)
At 31 December 2024	21,538,580	2,797,675	67,773,058	237,013	92,346,326

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Loans to legal entities for investment projects

	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
ECL allowance as at 1 January 2024	4,492,396	2,571	36,812,775	925,766	42,233,508
New assets originated or purchased	247,861	–	–	–	247,861
Assets repaid	(1,395,147)	–	(1,739,003)	(593,344)	(3,727,494)
Transfers to Stage 1	1,698,482	–	(1,698,482)	–	–
Transfers to Stage 2	(73,226)	444,484	(371,258)	–	–
Transfers to Stage 3	(1,030,659)	–	1,030,659	–	–
Movements in ECLs for the year as a result of transfer from stage to stage and changes in inputs	(2,071,104)	662,842	16,143,208	(157,111)	14,577,835
Unwinding of discount	–	–	2,935,003	46,792	2,981,795
Write-off	–	–	(2,591,807)	(7,962)	(2,599,769)
At 31 December 2024	1,868,603	1,109,897	50,521,095	214,141	53,713,736

Loans to other legal entities

	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
Gross carrying amount at 1 January 2024	80,094,924	15,841,515	91,058,722	9,271,035	196,266,196
New assets originated or purchased	90,978,986	–	–	234,873	91,213,859
Assets repaid, including changes due to partial repayment or increase in gross carrying amount	(59,964,309)	(430,078)	(20,364,195)	(389,178)	(81,147,760)
Transfers to Stage 1	13,678,213	(262,897)	(13,415,316)	–	–
Transfers to Stage 2	(4,086,085)	8,445,874	(4,359,789)	–	–
Transfers to Stage 3	(8,159,432)	(15,307,279)	23,466,711	–	–
Changes provided for by agreement of cash flows from modification that does not result in derecognition	–	–	(8,407,994)	–	(8,407,994)
Changes in interest accrued	2,295,507	(799,032)	4,161,068	1,041,909	6,699,452
Write-off	–	–	(3,683,704)	(3,685)	(3,687,389)
At 31 December 2024	114,837,804	7,488,103	68,455,503	10,154,954	200,936,364

Loans to other legal entities

	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
ECL allowance as at 1 January 2024	6,975,949	5,372,106	54,859,103	4,064,526	71,271,684
New assets originated or purchased	2,683,700	–	–	–	2,683,700
Assets repaid	(4,250,236)	(250,884)	(10,135,682)	(213,757)	(14,850,559)
Transfers to Stage 1	7,817,454	(88,918)	(7,728,536)	–	–
Transfers to Stage 2	(273,247)	2,881,115	(2,607,868)	–	–
Transfers to Stage 3	(796,818)	(5,194,494)	5,991,312	–	–
Movements in ECLs for the year as a result of transfer from stage to stage and changes in inputs	(8,096,867)	(1,113,446)	6,113,129	3,286,782	189,598
Unwinding of discount	–	–	4,375,243	1,819,481	6,194,724
Write-off	–	–	(3,683,704)	(3,685)	(3,687,389)
At 31 December 2024	4,059,935	1,605,479	47,182,997	8,953,347	61,801,758

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The table below provides analysis of movements in the gross carrying amount and the ECL allowance for loans to individuals for the twelve months ended 31 December 2024:

<i>Loans to individuals</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
Gross carrying amount at 1 January 2024	194,260,135	8,486,322	63,292,577	2,365,692	268,404,726
New assets originated or purchased	67,032,949	–	–	461,659	67,494,608
Assets repaid, including changes due to partial repayment or increase in gross carrying amount	(56,091,280)	138,790	(13,070,461)	(297,913)	(69,320,864)
Transfers to Stage 1	5,887,383	(1,035,435)	(4,851,948)	–	–
Transfers to Stage 2	(4,166,666)	10,561,191	(6,394,525)	–	–
Transfers to Stage 3	(22,175,637)	(6,188,281)	28,363,918	–	–
Changes provided for by agreement of cash flows from modification that does not result in derecognition	–	–	(1,238,030)	–	(1,238,030)
Changes in interest accrued	(185,369)	(86,963)	3,452,929	10,227	3,190,824
Write-off	–	–	(2,001,877)	(21,899)	(2,023,776)
At 31 December 2024	184,561,515	11,875,624	67,552,583	2,517,766	266,507,488

<i>Loans to individuals</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
ECL allowance as at 1 January 2024	4,698,220	1,857,726	31,065,046	376,668	37,997,660
New assets originated or purchased	1,041,445	–	–	–	1,041,445
Assets repaid	(1,335,552)	(78,035)	(2,159,452)	(30,379)	(3,603,418)
Transfers to Stage 1	1,647,303	(168,071)	(1,479,232)	–	–
Transfers to Stage 2	(103,412)	2,129,416	(2,026,004)	–	–
Transfers to Stage 3	(532,119)	(1,449,960)	1,982,079	–	–
Movements in ECLs for the year as a result of transfer from stage to stage and changes in inputs	(2,470,971)	(320,104)	14,243,243	685,167	12,137,335
Unwinding of discount	–	–	2,228,790	105,834	2,334,624
Write-off	–	–	(2,001,877)	(21,899)	(2,023,776)
At 31 December 2024	2,944,914	1,970,972	41,852,593	1,115,391	47,883,870

The table below provides analysis of movements in GCA and ECL allowance for loans to legal entities for the twelve months ended 31 December 2023:

<i>Loans to legal entities—credit partnerships</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
Gross carrying amount at 1 January 2023	205,930,373	40,554,189	30,571,154	742,090	277,797,806
New assets originated or purchased	161,806,404	–	–	2,805,507	164,611,911
Assets repaid, including changes due to partial repayment or increase in gross carrying amount	(74,229,025)	(32,789,324)	(9,770,301)	(63,407)	(116,852,057)
Transfers to Stage 1	8,418,407	(6,804,408)	(1,613,999)	–	–
Transfers to Stage 2	(113,318,591)	117,991,548	(4,672,957)	–	–
Transfers to Stage 3	(44,557,080)	(13,730,769)	58,287,849	–	–
Changes provided for by agreement of cash flows from modification that does not result in derecognition	–	–	(799,329)	(143,195)	(942,524)
Changes in interest accrued	(154,509)	1,841,884	2,021,869	30,419	3,739,663
Write-off	–	–	(602,024)	(6)	(602,030)
At 31 December 2023	143,895,979	107,063,120	73,422,262	3,371,408	327,752,769

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Loans to legal entities—credit partnerships

	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
ECL allowance as at 1 January 2023	592,991	349,827	4,082,514	–	5,025,332
New assets originated or purchased	1,440,151	–	–	–	1,440,151
Assets repaid	(254,508)	(320,941)	(137,752)	(7,551)	(720,752)
Transfers to Stage 1	63,444	(48,107)	(15,337)	–	–
Transfers to Stage 2	(625,596)	640,449	(14,853)	–	–
Transfers to Stage 3	(353,981)	(223,621)	577,602	–	–
Movements in ECLs for the year as a result of transfer from stage to stage and changes in inputs	645,418	6,695,769	5,553,334	149,578	13,044,099
Unwinding of discount	–	–	2,375,637	(229)	2,375,408
Write-off	–	–	(602,024)	(6)	(602,030)
At 31 December 2023	1,507,919	7,093,376	11,819,121	141,792	20,562,208

Loans to legal entities for investment projects

	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
Gross carrying amount at 1 January 2023	36,483,317	1,311,751	75,235,230	2,200,185	115,230,483
New assets originated or purchased	3,931,277	–	–	–	3,931,277
Assets repaid, including changes due to partial repayment or increase in gross carrying amount	(5,294,708)	90,936	(4,793,253)	(402,373)	(10,399,398)
Transfers to Stage 1	3,906,280	(511,605)	(3,394,675)	–	–
Transfers to Stage 2	–	23,353	(23,353)	–	–
Transfers to Stage 3	(9,770,313)	(800,146)	10,570,459	–	–
Changes provided for by agreement of cash flows from modification that does not result in derecognition	–	–	(3,424,676)	–	(3,424,676)
Changes in interest accrued	(182,693)	(97,867)	3,470,330	–	3,189,770
Write-off	–	–	(1,584,511)	(490,590)	(2,075,101)
At 31 December 2023	29,073,160	16,422	76,055,551	1,307,222	106,452,355

Loans to legal entities for investment projects

	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
ECL allowance as at 1 January 2023	5,872,890	234,729	37,559,536	1,698,605	45,365,760
New assets originated or purchased	307,716	–	–	–	307,716
Assets repaid	(5,420)	–	(112,906)	–	(118,326)
Transfers to Stage 1	613,129	(5,116)	(608,013)	–	–
Transfers to Stage 2	–	4,050	(4,050)	–	–
Transfers to Stage 3	(2,020,032)	(229,613)	2,249,645	–	–
Movements in ECLs for the year as a result of transfer from stage to stage and changes in inputs	(275,887)	(1,479)	(6,518,982)	(147,925)	(6,944,273)
Unwinding of discount	–	–	5,832,056	(134,324)	5,697,732
Write-off	–	–	(1,584,511)	(490,590)	(2,075,101)
At 31 December 2023	4,492,396	2,571	36,812,775	925,766	42,233,508

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<i>Loans to other legal entities</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
Gross carrying amount at 1 January 2023	99,692,260	4,842,841	84,389,736	5,491,056	194,415,893
New assets originated or purchased	55,959,826	–	116,500	3,968,372	60,044,698
Assets repaid, including changes due to partial repayment or increase in gross carrying amount	(47,245,535)	(3,060,250)	(6,715,490)	(363,254)	(57,384,529)
Transfers to Stage 1	4,656,071	(139,394)	(4,516,677)	–	–
Transfers to Stage 2	(14,518,451)	14,640,365	(121,914)	–	–
Transfers to Stage 3	(18,606,331)	(1,411,823)	20,018,154	–	–
Changes provided for by agreement of cash flows from modification that does not result in derecognition	–	–	(5,889,472)	(418,126)	(6,307,598)
Changes in interest accrued	157,084	969,776	7,229,023	601,954	8,957,837
Write-off	–	–	(3,451,138)	(8,967)	(3,460,105)
At 31 December 2023	80,094,924	15,841,515	91,058,722	9,271,035	196,266,196

<i>Loans to other legal entities</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
ECL allowance as at 1 January 2023	2,864,726	1,144,217	42,295,872	25,265	46,330,080
New assets originated or purchased	3,859,781	–	57,121	–	3,916,902
Assets repaid	(406,446)	(536,463)	(585,946)	(288,255)	(1,817,110)
Transfers to Stage 1	1,697,838	(25,318)	(1,672,520)	–	–
Transfers to Stage 2	(1,196,010)	1,270,974	(74,964)	–	–
Transfers to Stage 3	(1,239,624)	(335,898)	1,575,522	–	–
Movements in ECLs for the year as a result of transfer from stage to stage and changes in inputs	1,395,684	3,854,594	10,518,036	4,338,894	20,107,208
Unwinding of discount	–	–	6,196,532	(2,411)	6,194,121
Recovery	–	–	588	–	588
Write-off	–	–	(3,451,138)	(8,967)	(3,460,105)
At 31 December 2023	6,975,949	5,372,106	54,859,103	4,064,526	71,271,684

The table below provides analysis of movements in the gross carrying amount and the ECL allowance for loans to individuals for the twelve months ended 31 December 2023:

<i>Loans to individuals</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
Gross carrying amount at 1 January 2023	200,941,961	6,093,861	64,228,427	2,217,988	273,482,237
New assets originated or purchased	55,935,346	19,361	–	156,230	56,110,937
Assets repaid, including changes due to partial repayment or increase in gross carrying amount	(51,067,629)	(1,356,997)	(10,836,958)	183,644	(63,077,940)
Transfers to Stage 1	12,662,661	(1,554,415)	(11,108,246)	–	–
Transfers to Stage 2	(6,656,863)	8,442,429	(1,785,566)	–	–
Transfers to Stage 3	(19,451,814)	(3,948,688)	23,400,502	–	–
Changes provided for by agreement of cash flows from modification that does not result in derecognition	–	–	(1,558,644)	(201,230)	(1,759,874)
Changes in interest accrued	1,896,473	790,771	2,378,471	11,445	5,077,160
Write-off	–	–	(1,425,409)	(2,385)	(1,427,794)
At 31 December 2023	194,260,135	8,486,322	63,292,577	2,365,692	268,404,726

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<i>Loans to individuals</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
ECL allowance as at					
1 January 2023	7,337,245	1,156,098	32,276,102	518,434	41,287,879
New assets originated or purchased	948,625	3,259	–	–	951,884
Assets repaid	(378,324)	(47,779)	(1,703,400)	(14,696)	(2,144,199)
Transfers to Stage 1	4,431,174	(288,950)	(4,142,224)	–	–
Transfers to Stage 2	(359,195)	951,486	(592,291)	–	–
Transfers to Stage 3	(678,105)	(740,144)	1,418,249	–	–
Movements in ECLs for the year as a result of transfer from stage to stage and changes in inputs	(6,603,200)	823,756	839,552	(121,215)	(5,061,107)
Unwinding of discount	–	–	4,393,423	(3,470)	4,389,953
Recovery	–	–	1,044	–	1,044
Write-off	–	–	(1,425,409)	(2,385)	(1,427,794)
At 31 December 2023	4,698,220	1,857,726	31,065,046	376,668	37,997,660

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

	At 31 December 2024				
	Stage 1 12-months ECL	Stage 2 Lifetime ECL on assets not credit- impaired	Stage 3 Lifetime ECL on assets not credit- impaired	POCI	Total
Loans to legal entities—credit partnerships					
– not overdue	322,030,338	66,573,854	31,275,617	2,776,647	422,656,456
– overdue less than 30 days	6,428,693	6,450,666	7,994,511	–	20,873,870
– overdue more than 31 days and less than 60 days	–	4,351,105	6,637,126	151,006	11,139,237
– overdue more than 61 days and less than 90 days	–	–	5,007,159	45,971	5,053,130
– overdue more than 91 days and less than 360 days	–	–	731,830	–	731,830
– overdue more than 1 year	–	–	5,260,126	–	5,260,126
	328,459,031	77,375,625	56,906,369	2,973,624	465,714,649
Allowance for expected credit losses	(3,680,638)	(4,573,042)	(15,929,039)	(351,182)	(24,533,901)
	324,778,393	72,802,583	40,977,330	2,622,442	441,180,748

	At 31 December 2024				
	Stage 1 12-months ECL	Stage 2 Lifetime ECL on assets not credit- impaired	Stage 3 Lifetime ECL on assets not credit- impaired	POCI	Total
Loans to legal entities for investment projects					
– not overdue	20,971,942	1,576,252	17,369,932	222,089	40,140,215
– overdue less than 30 days	566,638	976,726	6,403,905	–	7,947,269
– overdue more than 31 days and less than 60 days	–	244,697	–	–	244,697
– overdue more than 61 days and less than 90 days	–	–	2,963,354	–	2,963,354
– overdue more than 91 days and less than 360 days	–	–	14,488,287	14,924	14,503,211
– overdue more than 1 year	–	–	26,547,580	–	26,547,580
	21,538,580	2,797,675	67,773,058	237,013	92,346,326
Allowance for expected credit losses	(1,868,603)	(1,109,897)	(50,521,095)	(214,141)	(53,713,736)
	19,669,977	1,687,778	17,251,963	22,872	38,632,590

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

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	At 31 December 2024				
	Stage 1 12-months ECL	Stage 2 Lifetime ECL on assets not credit- impaired	Stage 3 Lifetime ECL on assets not credit- impaired	POCI	Total
Loans to other legal entities					
- not overdue	112,785,764	4,717,930	23,197,019	7,552,894	148,253,607
- overdue less than 30 days	2,052,040	41,547	10,684,628	–	12,778,215
- overdue more than 31 days and less than 60 days	–	2,728,626	2,165,264	18,478	4,912,368
- overdue more than 61 days and less than 90 days	–	–	3,145,597	2,184,425	5,330,022
- overdue more than 91 days and less than 360 days	–	–	3,212,817	399,157	3,611,974
- overdue more than 1 year	–	–	26,050,178	–	26,050,178
	114,837,804	7,488,103	68,455,503	10,154,954	200,936,364
Allowance for expected credit losses	(4,059,935)	(1,605,479)	(47,182,997)	(8,953,347)	(61,801,758)
	110,777,869	5,882,624	21,272,506	1,201,607	139,134,606

	At 31 December 2024				
	Stage 1 12-months ECL	Stage 2 Lifetime ECL on assets not credit- impaired	Stage 3 Lifetime ECL on assets not credit- impaired	POCI	Total
Loans to individuals					
- not overdue	175,122,369	5,220,075	22,646,840	1,730,567	204,719,851
- overdue less than 30 days	9,439,146	1,068,277	5,201,616	110,920	15,819,959
- overdue more than 31 days and less than 60 days	–	5,587,272	3,340,710	42,194	8,970,176
- overdue more than 61 days and less than 90 days	–	–	3,827,805	–	3,827,805
- overdue more than 91 days and less than 360 days	–	–	9,432,297	522,747	9,955,044
- overdue more than 1 year	–	–	23,103,315	111,338	23,214,653
	184,561,515	11,875,624	67,552,583	2,517,766	266,507,488
Allowance for expected credit losses	(2,944,914)	(1,970,972)	(41,852,593)	(1,115,391)	(47,883,870)
	181,616,601	9,904,652	25,699,990	1,402,375	218,623,618

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	At 31 December 2023				
	Stage 1	Stage 2	Stage 3	POCI	Total
	12-months ECL	Lifetime ECL on assets not credit- impaired	Lifetime ECL on assets not credit- impaired		
Loans to legal entities—credit partnerships					
- not overdue	134,753,828	98,607,577	61,480,872	2,790,043	297,632,320
- overdue less than 30 days	9,142,151	4,252,114	2,661,211	436,931	16,492,407
- overdue more than 31 days and less than 60 days	—	4,203,429	1,141,569	130,208	5,475,206
- overdue more than 61 days and less than 90 days	—	—	2,065,824	14,154	2,079,978
- overdue more than 91 days and less than 360 days	—	—	1,118,175	72	1,118,247
- overdue more than 1 year	—	—	4,954,611	—	4,954,611
	143,895,979	107,063,120	73,422,262	3,371,408	327,752,769
Allowance for expected credit losses	(1,507,919)	(7,093,376)	(11,819,121)	(141,792)	(20,562,208)
	142,388,060	99,969,744	61,603,141	3,229,616	307,190,561

	At 31 December 2023				
	Stage 1	Stage 2	Stage 3	POCI	Total
	12-months ECL	Lifetime ECL on assets not credit- impaired	Lifetime ECL on assets not credit- impaired		
Loans to legal entities for investment projects					
- not overdue	28,240,760	—	38,235,955	669,181	67,145,896
- overdue less than 30 days	832,400	—	9,441,329	638,041	10,911,770
- overdue more than 31 days and less than 60 days	—	16,422	8,726	—	25,148
- overdue more than 61 days and less than 90 days	—	—	4,160,824	—	4,160,824
- overdue more than 91 days and less than 360 days	—	—	4,730,454	—	4,730,454
- overdue more than 1 year	—	—	19,478,263	—	19,478,263
	29,073,160	16,422	76,055,551	1,307,222	106,452,355
Allowance for expected credit losses	(4,492,396)	(2,571)	(36,812,775)	(925,766)	(42,233,508)
	24,580,764	13,851	39,242,776	381,456	64,218,847

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	At 31 December 2023				
	Stage 1 12-months ECL	Stage 2 Lifetime ECL on assets not credit- impaired	Stage 3 Lifetime ECL on assets not credit- impaired	POCI	Total
Loans to other legal entities					
- not overdue	76,758,835	–	43,671,382	9,153,091	129,583,308
- overdue less than 30 days	3,336,089	3,480,884	15,773,862	109,366	22,700,201
- overdue more than 31 days and less than 60 days	–	12,360,631	2,502,894	–	14,863,525
- overdue more than 61 days and less than 90 days	–	–	6,070,437	–	6,070,437
- overdue more than 91 days and less than 360 days	–	–	7,266,540	8,578	7,275,118
- overdue more than 1 year	–	–	15,773,607	–	15,773,607
	80,094,924	15,841,515	91,058,722	9,271,035	196,266,196
Allowance for expected credit losses	(6,975,949)	(5,372,106)	(54,859,103)	(4,064,526)	(71,271,684)
	73,118,975	10,469,409	36,199,619	5,206,509	124,994,512

	At 31 December 2023				
	Stage 1 12-months ECL	Stage 2 Lifetime ECL on assets not credit- impaired	Stage 3 Lifetime ECL on assets not credit- impaired	POCI	Total
Loans to individuals					
- not overdue	181,475,686	1,106,457	20,876,490	771,893	204,230,526
- overdue less than 30 days	12,784,449	1,268,605	7,137,530	851,366	22,041,950
- overdue more than 31 days and less than 60 days	–	6,111,260	3,555,426	602,878	10,269,564
- overdue more than 61 days and less than 90 days	–	–	4,361,921	23,264	4,385,185
- overdue more than 91 days and less than 360 days	–	–	8,395,363	90,500	8,485,863
- overdue more than 1 year	–	–	18,965,847	25,791	18,991,638
	194,260,135	8,486,322	63,292,577	2,365,692	268,404,726
Allowance for expected credit losses	(4,698,220)	(1,857,726)	(31,065,046)	(376,668)	(37,997,660)
	189,561,915	6,628,596	32,227,531	1,989,024	230,407,066

During 2024, as part of Ken–Dala annual government programme for lending of the agro–industrial complex entities to support the spring field works, the Company provided loans for the total amount of KZT 83,822,500 thousand (2023: KZT 79,138,689 thousand) at the below–market interest rate of 1.50 % p.a. (2023: 1.50% p.a.) and maturity before March 2025 (2023: before December 2024). The Company recognised discount of KZT 11,285,940 thousand (2023: KZT 13,431,629 thousand) on initial recognition and interest income on unwinding of discount of KZT 10,056,450 thousand (2023: KZT 9,532,289 thousand) in the unconsolidated statement of profit or loss within other expenses and interest income on loans to customers, respectively. The loss of KZT 11,285,940 thousand on initial recognition of loans at below–market interest rates (2023: KZT 13,431,629 thousand) was fully compensated through receipt of a government grant (*Note 16*). The Company applied estimated market interest rates from 17.20% to 21.60% p.a. (2023: from 21.20% to 21.80% p.a.) to measure the fair value of the above–mentioned loans on initial recognition by discounting their future contractual cash flows.

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

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During 2024 the Company continued issuing and servicing the loans provided under the Government Programme for the Development of Productive Employment and Mass Entrepreneurship for 2017–2021 (“Isker”); new loans were issued for the amount of KZT 3,567,975 thousand (2023: KZT 12,053,018 thousand). The Company applied estimated market interest rates from 17.20% to 25.20% p.a. (2023: from 19.70% to 23.20% p.a.) to measure the fair value of the above-mentioned loans on initial recognition by discounting their future contractual cash flows. The loss of KZT 1,162,301 thousand on initial recognition of these loans issued at below market interest rate (2023: KZT 4,210,928 thousand) was recognised within other expenses and fully compensated at the expense of a government grant (*Note 16*).

During 2024 the Company continued issuing and servicing the loans of KZT 8,526,216 thousand provided under Enbek and Employment Roadmap 2020 government programmes (2023: KZT 10,228,639 thousand). The Company applied estimated market interest rates from 17.20% to 25.20% p.a. (2023: from 19.70% to 23.20% p.a.) to measure the fair value of the above-mentioned loans on initial recognition by discounting their future contractual cash flows. The loss of KZT 2,191,895 thousand on initial recognition of these loans issued at below market interest rate (2023: KZT 2,750,618 thousand) was recognised within other expenses and fully compensated at the expense of a government grant received (*Note 16*).

During 2024, as part of a loan received from the Shareholder for lending to agro-industrial complex entities to finance the construction of commercial dairy farms and implementation of the investment projects for production and processing of agricultural products, the Company did not issue new loans (2023: KZT 4,798,818 thousand). The loss on modification of the previously issued loans amounted to KZT 718 thousand (2023: KZT 2,478,012 thousand) was recognised within other expenses and fully compensated at the expense of a government grant (*Note 16*).

During 2024, as part of Ken-Dala 2 annual government programme for lending of the agro-industrial complex entities to support the spring field works, the Company provided loans for the total amount of KZT 214,012,808 thousand and also reinvested KZT 1,965,123 thousand (2023: none) at the below-market interest rate of 1.50%–5.0% p.a. (2023: none) and maturity before March 2026. The Company recognised discount of KZT 26,770,262 thousand (2023: none) on initial recognition and interest income on unwinding of discount of KZT 11,798,829 thousand (2023: none) in the unconsolidated statement of profit or loss within other expenses and interest income on loans to customers, respectively. The loss of KZT 26,770,262 thousand on initial recognition of loans at below-market interest rates (2023: none) was fully compensated through receipt of a government grant (*Note 16*). The Company applied estimated market interest rates from 21.00% to 25.20% p.a. to measure the fair value of the above-mentioned loans on initial recognition by discounting their future contractual cash flows.

During 2024, as part of the Agribusiness (bonds) annual government programme for lending of the agro-industrial complex entities to support the food production and/or processing industry (processing of agricultural produce), the Company provided loans for the total amount of KZT 14,713,855 thousand under the above mentioned government programme (2023: none), at below market interest rate of 1.50–5.00% p.a. (2023: none) and maturity before September 2025. The Company recognised discount of KZT 1,812,718 thousand (2023: none) on initial recognition and interest income on unwinding of discount of KZT 238,980 thousand (2023: none) in the unconsolidated statement of profit or loss within other expenses and interest income on loans to customers, respectively. The loss of KZT 1,812,718 thousand on initial recognition of loans at below-market interest rates (2023: none) was fully compensated through receipt of a government grant (*Note 16*). The Company applied estimated market interest rates from 21.00% to 25.20% p.a. to measure the fair value of the above-mentioned loans on initial recognition by discounting their future contractual cash flows.

In the normal course of business, the Company provides loans at below market rates to borrowers operating in the agricultural industry. Loss of KZT 7,081,283 thousand on initial recognition of loans at below market interest rates (*Note 20*) was recognised within other expenses for the year ended 31 December 2024 (2023: KZT 8,961,245 thousand). During 2024 the Company applied estimated market interest rates from 17.20% to 25.20% p.a. (2023: from 19.70% to 23.20% p.a.) to measure the fair value of the above-mentioned loans on initial recognition by discounting their future contractual cash flows.

As at 31 December 2024 the Company had no borrowers whose total balance exceeded 10% of equity (31 December 2023: no borrowers).

Collateral and other instruments that reduce credit risk

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

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement during the review of the adequacy of the allowance for impairment losses.

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

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

	Carrying amount of loans to customers	Fair value of collateral – for collateral assessed as of reporting date	Fair value of collateral – for collateral assessed as of loan inception date
<i>Stage 3 (Lifetime expected credit losses on credit-impaired assets)</i>			
Cash and deposits	908,323	908,323	–
Bank guarantees and sureties received from legal entities (rated from B– to BBB+)	172,049	172,049	–
Vehicles	10,794,002	10,695,077	98,925
Real estate	52,881,177	34,382,336	18,498,841
Equipment	4,299,682	3,342,988	956,694
Goods in turnover	8,792,902	8,701,742	91,160
Land plots	22,535,019	22,298,730	236,289
No collateral or other credit enhancement	4,818,635	–	–
Total Stage 3	105,201,789	80,501,245	19,881,909
<i>POCI-assets</i>			
Cash and deposits	47,069	47,069	–
Bank guarantees and sureties received from legal entities (rated from B– to BBB+)	221,234	205,175	16,059
Vehicles	812,309	812,309	–
Real estate	2,417,088	1,446,955	970,133
Equipment	362,918	292,002	70,916
Goods in turnover	105,944	105,819	125
Land plots	1,191,898	1,187,278	4,620
No collateral or other credit enhancement	90,836	–	–
Total POCI-assets	5,249,296	4,096,607	1,061,853
Total loans to customers	110,451,085	84,597,852	20,943,762

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

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

	Carrying amount of loans to customers	Fair value of collateral – for collateral assessed as of reporting date	Fair value of collateral – for collateral assessed as of loan inception date
<i>Stage 3 (Lifetime expected credit losses on credit-impaired assets)</i>			
Cash and deposits	1,716,360	1,716,360	–
Vehicles	24,554,264	24,554,264	–
Real estate	78,778,469	42,723,109	36,055,360
Equipment	8,690,755	–	8,690,755
Goods in turnover	9,068,055	9,068,055	–
Land plots	26,852,104	–	26,852,104
No collateral or other credit enhancement	19,613,060	–	–
Total Stage 3	169,273,067	78,061,788	71,598,219
<i>POCI-assets</i>			
Cash and deposits	77,837	77,837	–
Vehicles	1,234,724	1,234,724	–
Real estate	7,012,277	4,956,380	2,055,897
Equipment	517,215	–	517,215
Goods in turnover	129,200	129,200	–
Land plots	1,056,200	–	1,056,200
No collateral or other credit enhancement	779,152	–	–
Total POCI-assets	10,806,605	6,398,141	3,629,312
Total loans to customers	180,079,672	84,459,929	75,227,531

Change in estimates used to calculate expected credit losses on loans to customers (*Note 22*) may impact the amount of allowance for expected credit losses. For example, to the extent that the net present value of the estimated cash flows differs by plus/minus one percent, ECL allowance for loans to customers as at 31 December 2024 would be KZT 8,375,716 thousand lower/higher (31 December 2023: KZT 7,268,110 thousand lower/higher).

Significant credit exposures

As at 31 December 2024, the concentration of net carrying amount of loans issued by the Company to ten major independent parties amounted to KZT 139,095,950 thousand or 16.6% of the aggregate loan portfolio (31 December 2023: KZT 72,722,733 thousand or 10.01% of the aggregate loan portfolio), of which 65% are represented by government-related social entrepreneurship corporations (31 December 2023: no loans issued to social entrepreneurship corporations). In addition, KZT 122,742,878 thousand is categorised into Stage 1, KZT 15,206,461 thousand and KZT 1,146,611 thousand – into Stages 2 and 3 of credit impairment, respectively; all loans are not overdue (31 December 2023: KZT 14,936,651 thousand is categorised into Stage 1, KZT 29,008,426 thousand and KZT 27,777,657 thousand – into Stages 2 and 3 of credit impairment, respectively). Loans in the amount of KZT 50,851,224 thousand are not overdue, KZT 7,808,711 thousand are overdue less than 30 days, KZT 7,308,958 thousand are overdue more than 31 days and less than 60 days and KZT 6,753,840 thousand are overdue more than 91 days and less than 360 days).

8. Investments in subsidiary

In accordance with the Resolution of the Board of Directors of the Shareholder dated 15 July 2022, No.05/22, a decision was made to dispose 100% of ordinary shares of KazAgroFinance JSC belonging to the Shareholder in the amount of KZT 147,470,014 thousand to pay for 147,470,014 ordinary shares placed by the Company in 2022 at the offering price of KZT 1,000 per one ordinary share.

Therefore, acquisition of the investment in the subsidiary took place under common control.

According to the Resolution of the Board of Directors of the Company dated 10 July 2023, No.7, a decision was made to increase the charter capital of the Company's Subsidiary – KazAgroFinance JSC by the amount of KZT 20,000,000 thousand to finance purchase of agricultural machinery, forage machinery and mobile irrigation systems for subsequent transfer under lease agreements at the expense of targeted transfer from the National Funds of the Republic of Kazakhstan.

As at 31 December 2024, the Company owns a 100% interest in one subsidiary – KazAgroFinance JSC (31 December 2023: 100% interest). As at 31 December 2024 and 31 December 2023, the carrying amount of the investment in the subsidiary is KZT 167,470,014 thousand.

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On 18 June 2024 the Company received dividends of KZT 13,249,722 thousand from KazAgroFinance JSC (2023: KZT 10,309,687 thousand).

Management considered whether there were any indicators that the investment in the subsidiary was impaired as at 31 December 2024 and 31 December 2023 by assessing its financial position at those dates. Management did not identify any indicators of impairment as at 31 December 2024 and 31 December 2023.

9. Other assets

As at 31 December 2024 and 2023 other assets include the following items:

	<u>31 December 2024</u>	<u>31 December 2023</u>
Receivables from KazAgroProduct JSC	8,583,317	8,604,856
Receivables under instalment sales contracts	5,349,448	5,506,686
Other receivables	5,258,900	4,898,280
Allowance for expected credit losses	(14,661,145)	(12,989,456)
Total other financial assets	4,530,520	6,020,366
Inventories	1,057,168	1,043,103
Other	524,304	160,397
Advances paid	35,591	40,737
Total other non-financial assets	1,617,063	1,244,237
Total other assets	6,147,583	7,264,603

As at 31 December 2024 other financial assets of KZT 4,590,691 thousand are categorised into Stage 2, other financial assets of KZT 14,600,974 thousand are categorised into Stage 3 (31 December 2023: other financial assets of KZT 4,604,399 thousand are categorised into Stage 2, other financial assets of KZT 14,405,423 thousand are categorised into Stage 3).

Reconciliation of the ECL allowance for accounts receivable for the year ended 31 December 2024 is presented below:

	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
ECL allowance at 1 January	83,348	12,906,108	12,989,456
New assets originated or purchased	1,580	–	1,580
Provision recovery during the year	(28,045)	–	(28,045)
Movements in ECLs for the year as a result of transfer from stage to state and changes in inputs	3,288	1,694,866	1,698,154
At 31 December 2024	60,171	14,600,974	14,661,145

Reconciliation of the ECL allowance for accounts receivable for the year ended 31 December 2023 is presented below:

	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
ECL allowance at 1 January	40,798	11,171,083	11,211,881
New assets originated or purchased	12,303	–	12,303
Provision recovery during the year	(22,731)	(5,329)	(28,060)
Transfers to Stage 3	(5,533)	5,533	–
Movements in ECLs for the year as a result of transfer from stage to state and changes in inputs	58,511	1,827,460	1,885,971
Write-off	–	(92,639)	(92,639)
At 31 December 2023	83,348	12,906,108	12,989,456

The following table provides information on the credit quality of other assets as at 31 December 2024 and 31 December 2023:

	<u>At 31 December 2024</u>			
	<u>Stage 1 12-months ECL</u>	<u>Stage 2 Lifetime ECL for assets not credit- impaired</u>	<u>Stage 3 Lifetime ECL for assets not credit- impaired</u>	
Not overdue	–	1,975,864	–	1,975,864
– overdue more than 1 year	–	–	14,600,974	14,600,974
	–	1,975,864	14,600,974	16,576,838
Allowance for expected credit losses	–	(60,170)	(14,600,974)	(14,661,144)
	–	1,915,694	–	1,915,694

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	At 31 December 2023			Total
	Stage 1	Stage 2	Stage 3	
	12-months ECL	Lifetime ECL of assets not credit- unimpaired	Lifetime ECL for assets not credit- impaired	
Other assets				
Not overdue	–	1,989,573	–	1,989,573
– overdue more than 1 year	–	–	14,405,423	14,405,423
	–	1,989,573	14,405,423	16,394,996
Allowance for expected credit losses	–	(83,348)	(12,906,108)	(12,989,456)
	–	1,906,225	1,499,315	3,405,540

Other financial assets comprise receivables overdue up to 30 days measured at fair value through profit or loss in the amount of KZT 2,614,826 thousand (31 December 2023: KZT 2,614,826 thousand, not overdue).

10. Amounts due to the Shareholder

	Maturity date	Nominal interest rate, %	Currency	31 December 2024	31 December 2023
Loan under Agreement No.26	10 February 2041	1.02%	KZT	18,141,783	16,881,537
Loan under Agreement No.32	14 December 2032	1.00%	KZT	12,066,785	13,197,512
Loan under Agreement No.101	14 December 2033	1.00%	KZT	9,490,406	10,256,549
Loan under Agreement No.135	14 December 2032	1.00%	KZT	6,491,267	7,098,813
Loan under Agreement No.136	14 December 2032	1.00%	KZT	6,491,267	7,098,813
Loan under Agreement No.20	31 January 2034	1.00%	KZT	5,431,133	5,812,653
Loan under Agreement No.43	21 June 2034	0.28%	KZT	4,021,183	4,211,853
Loan under Agreement No.76	14 December 2025	1.00%	KZT	2,690,594	5,216,488
Loan under Agreement No.34	28 September 2034	1.00%	KZT	2,311,862	2,480,009
Loan under Agreement No.85	14 December 2025	1.00%	KZT	2,036,834	3,942,714
Loan under Agreement No.122	14 December 2025	1.00%	KZT	2,022,904	3,917,510
Amount payable under assignment contract of 3 July 2018	20 December 2024	5.00%	KZT	–	758,401
Amount payable under debt transfer agreement of 3 July 2018	9 December 2024	3.00%	KZT	–	220,160
				71,196,018	81,093,012

During 2024 the Company did not raise additional funds from the Shareholder.

As at 31 December 2024 and 31 December 2023, the Company was in compliance with the requirements related to the restrictive covenants related to the amounts due to the Shareholder.

11. Amounts due to credit institutions

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

	Currency	Nominal interest rate, %	Maturity	31 December 2024	31 December 2023
Halyk Bank of Kazakhstan JSC					
АБЗ № KD 02–22–51–02 dated 28.12.2023	KZT	17.75%	2029	30,078,923	35,953,102
АБЗ № KD 02–22–51–01 dated 02.12.20222	KZT	18.00%	2027	24,312,000	32,432,000
Citibank Kazakhstan JSC					
Tranches received in 2024	KZT	15.72%–16.70%	2025	12,105,423	–
Tranches received in 2023	KZT	17.70%–18.46%	2024	–	12,117,720
Amounts due to credit institutions				66,496,346	80,502,822

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

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During 2024 the Company raised borrowed funds from Citibank Kazakhstan JSC in the total amount of KZT 12,100,000 thousand to replenish working capital, for a term of 1 year and at a nominal interest rate of 15.72–16.70% per annum.

On 28 December 2023, borrowed funds were raised from Halyk Bank of Kazakhstan JSC in the amount of KZT 35,900,000 thousand, to replenish the working capital of the Company, for a term of 6 years and with a nominal interest rate of 17.75% per annum.

During 2023 the Company also raised borrowed funds from Citibank Kazakhstan JSC in the total amount of KZT 20,067,000 thousand to replenish working capital, for a term of 1 year and at a nominal interest rate of 17.70–18.46% per annum.

During 2024, the Company repaid, according to the schedule, the principal amount of borrowed funds from credit institutions in the amount of KZT 26,083,333 thousand (during 2023: KZT 24,244,000 thousand).

12. Amounts due to the Government of the Republic of Kazakhstan

During 2024 the Company received five tranches of a loan from the Ministry of Finance of the Republic of Kazakhstan in the total amount of KZT 140,000,000 thousand bearing a nominal interest rate of 0.01% and maturing on 15 December 2024 and 30 November 2025. The loan was received as part of the Ken–Dala government programme aimed at supporting enterprises in their spring field and harvesting works. The total amount of the loan received was transferred to Halyk Bank of Kazakhstan JSC in the total amount of KZT 52,177,500 thousand, and Bank CenterCredit JSC in the total amount of KZT 4,000,000 thousand (*Note 6*) under condition to be used further for intended purpose stipulated by the afore–mentioned programme, and KZT 83,822,500 thousand to be provided directly to the customers (*Note 7*).

The discount of KZT 19,955,981 thousand on initial recognition of loans received was recognised as a government grant liability with its partial use during 2024. Unwinding of the discount of KZT 12,582,304 thousand was recorded in interest expense on amounts due to the Government of the Republic of Kazakhstan. The Company applied the estimated market interest rates varying from 12.89% to 14.10% per annum to measure the fair value of the loan on initial recognition by discounting future contractual cash flows.

During 2023 the Company received two equal tranches of a loan from the Ministry of Finance of the Republic of Kazakhstan in the total amount of KZT 140,000,000 thousand bearing a nominal interest rate of 0.01% and maturing on 15 December 2023 and 30 November 2024. The loan was received as part of the Ken–Dala government programme aimed at supporting enterprises in their spring field and harvesting works. The total amount of the loan received was transferred to Halyk Bank of Kazakhstan JSC and Bank CenterCredit JSC, with KZT 60,861,311 thousand (*Note 6*) to be used further for intended purpose stipulated by the afore–mentioned programme, and KZT 79,138,689 thousand to be provided directly to the customers (*Note 7*).

The discount of KZT 27,620,548 thousand on initial recognition of loans received was recognised as a government grant liability with its partial use during 2023. Unwinding of the discount of KZT 18,016,573 thousand was recorded in interest expense on amounts due to the Government of the Republic of Kazakhstan. The Company applied the estimated market interest rates varying from 17.71% to 18.25% per annum to measure the fair value of the loan on initial recognition by discounting future contractual cash flows.

On 29 November 2023 the Company signed an addendum to prolong the due date of the first tranche received in the amount of KZT 20,000,000 thousand till 15 December 2023. The term was prolonged till 30 November 2024. As a result of prolongation of the initial repayment date the Company recognised additional discount of KZT 3,061,822 thousand, and recorded it as an additional government grant liability. To measure the fair value of the loan at the time of its modification, the Company applied an estimated market rate of 17.98% per annum. The due date of the second tranche received in the amount of KZT 70,000,000 thousand remained unchanged – 30 November 2024.

As at 31 December 2024 the carrying amount of the loans received totalled KZT 62,631,531 thousand, including interest accrued of KZT 5,208 thousand (31 December 2023: KZT 77,340,798 thousand, including interest accrued of KZT 6,594 thousand).

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

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13. Debt securities issued

KZT-denominated debt securities issued comprise the following captions:

	Placement date	Maturity date	Interest rate per annum, %	Nominal value		Carrying amount	
				31 December 2024	31 December 2023	31 December 2024	31 December 2023
Fixed income bonds (KZ2C000013001, AGKKpp6)	26 December 2024	26 March 2026	15.50%	100,000,000	—	100,172,222	—
Fixed income bonds (KZ2C000011302, AGKKpp1)	16 May 2024	16 May 2025	15.00%	100,000,000	—	100,000,000	—
Fixed income bonds (KZ2C000012615, AGKKpp5)	28 November 2024	28 March 2026	15.00%	100,000,000	—	100,000,000	—
Fixed income bonds (KZ2C000011344, AGKKpp2)	23 May 2024	23 May 2029	13.96%	50,000,000	—	50,717,389	—
Fixed income bonds (KZ2C000011435, AGKKpp3)	21 June 2024	21 June 2025	15.00%	50,000,000	—	50,000,000	—
Fixed income bonds (1st issue of the 4th bond programme)	10 October 2019	10 October 2026	10.75%	39,475,017	39,475,017	40,417,043	40,413,755
Fixed income bonds (6th issue of the 4th bond programme)	30 June 2021	10 December 2031	15.00%	35,000,000	35,000,000	39,978,870	39,817,201
Fixed income bonds (KZ2C000011823, AGKKpp4)	10 September 2024	10 September 2025	15.00%	35,000,000	—	35,000,000	—
Fixed income bonds (2nd issue of the 4th bond programme)	26 August 2020	26 August 2030	10.75%	30,496,202	30,496,202	31,582,572	31,582,622
Fixed income bonds (9th issue of the 4th bond programme)	21 December 2021	21 December 2031	11.50%	30,000,000	30,000,000	30,095,833	31,820,833
Fixed income bonds (KZ2C000011435, AGKKpp3 tranche 2)	30 July 2024	21 June 2025	15.00%	29,533,580	—	29,533,580	—
Fixed income bonds (4th issue of the 3rd bond programme)	27 May 2021	27 May 2026	11.50%	9,350,000	9,350,000	9,451,552	9,451,552
Fixed income bonds (1st issue of the 1st bond programme) recognised as a result of merger	30 December 2014	30 March 2026	10.07%	5,189,000	5,189,000	5,189,000	5,450,266
Fixed income bonds (2nd issue of the 3rd bond programme)	22 December 2016	22 June 2026	14.00%	5,000,000	5,000,000	5,017,146	5,366,910
Fixed income bonds (7th issue of the 4th bond programme)	27 October 2021	27 October 2031	7.10%	5,000,000	5,000,000	4,006,926	3,909,282
Fixed income bonds (2nd issue of the 1st bond programme) recognised as a result of merger	21 October 2015	21 April 2026	10.07%	2,300,000	2,300,000	2,345,035	2,345,035
Debt securities issued				626,343,799	161,810,219	633,507,168	170,157,456

During 2024, the Company issued bonds with the aggregate face amount of KZT 464,533,580 thousand:

- unsecured commercial bonds with an aggregate face value of KZT 100,000,000 thousand (KZ2C000011302), bearing a coupon rate of 15.00% p.a. and maturing before 16 May 2025. Proceeds from the bond issue were used to finance entities operating in the agro-industrial complex, for carrying out spring field and harvesting works.
- unsecured commercial bonds with an aggregate face value of KZT 50,000,000 thousand (KZ2C000011435), bearing a coupon rate of 15.00% p.a. and maturing before 21 June 2025. Proceeds from the bond issue were used to finance entities operating in the agro-industrial complex, for carrying out spring field and harvesting works.
- unsecured commercial bonds with an aggregate face value of KZT 29,533,580 thousand (KZ2C000011435, 2nd tranche), bearing a coupon rate of 15.00% p.a. and maturing before 21 June 2025. Proceeds from the bond issue were used to finance entities operating in the agro-industrial complex, for carrying out spring field and harvesting works.
- unsecured commercial bonds with an aggregate face value of KZT 35,000,000 thousand (KZ2C000011823), bearing a coupon rate of 15.00% p.a. and maturing before 10 September 2025. Proceeds from the bond issue were used to finance entities operating in the agro-industrial complex to replenish working capital.

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

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In accordance with the Rules on Subsidising Coupon Rates on Bonds, approved by the Order of the Minister of Agriculture of the Republic of Kazakhstan of 24 December 2019, No. 457, the coupon rate on the bond issues mentioned above is to be subsidised at 100%, by funds from the reserve of the Government of the Republic of Kazakhstan, in accordance with the Decree of the Government of the Republic of Kazakhstan of 11 May 2024, No.363. The total amount of subsidies is KZT 31,698,311 thousand: KZT 15,000,000 thousand on coupon bonds AGKKpp1, KZT 11,448,311 thousand on coupon bonds AGKKpp3 and KZT 5,250,000 thousand on coupon bonds AGKKpp4, respectively. However, subsidies are provided subject to certain conditions. Specifically, the Company shall provide loans at preferential rates, financed with bonds issued by the conclusion of a loan agreement. At that, it is allowed to replace credit facilities provided earlier under loan agreements concluded from 1 January 2024, for carrying out spring field and harvesting works, by these bonds. A preferential rate financed with bonds issued, applied to borrowers, except credit unions, second-tier banks, social and entrepreneurship corporations, regional investment centres, and microfinance organisations, and to ultimate borrowers is set at up to 5.00% p.a.; and that applied to credit unions, second-tier banks, social and entrepreneurship corporations, regional investment centres, and microfinance organisations is set at up to 3.00% p.a.

- unsecured commercial bonds with total face value of KZT 100,000,000 thousand (KZ2C000012615) issued at coupon rate of 15.00% p.a., maturing on 28 March 2026. Proceeds from the bond issue were used to finance, at an early stage, entities operating in the agro-industrial complex, for carrying out spring field and harvesting works of 2025;
- unsecured commercial bonds with total face value of KZT 100,000,000 thousand (KZ2C000013001) issued at coupon rate of 15.50% p.a., maturing on 26 March 2026. Proceeds from the bond issue were used to finance, at an early stage, entities operating in the agro-industrial complex, for carrying out spring field and harvesting works of 2025.

In accordance with the Rules on Subsidising Coupon Rates on Bonds, approved by the Order of the Minister of Agriculture of the Republic of Kazakhstan of 24 December 2019, No.457, the coupon rate on the bond issues mentioned above is to be subsidised at 100%, by funds from the reserve of the Government of the Republic of Kazakhstan, in accordance with the Decree of the Government of the Republic of Kazakhstan of 11 May 2024, No.363, in the amount of KZT 1,759,768 thousand. The remaining part of coupon interest of KZT 37,615,232 thousand is subsidised at the expense of the funds provided for in the Republican budget for 2025 and is stated in the unconsolidated statement of financial position of the Company. The total amount of subsidies is KZT 39,375,000 thousand: KZT 20,000,000 thousand on coupon bonds AGKKpp5 and KZT 19,375,000 thousand on coupon bonds AGKKpp6, respectively.

- unsecured coupon bonds with total face value of KZT 50,000,000 thousand (KZ2C00011344) issued at coupon rate of 13.96% p.a., maturing within 5 years. Proceeds from issue of bonds were used to finance projects in the agro-industrial complex.

During 2024, the Company made a prepayment for the total amount of the subsidised coupon rate on the above debt securities issued. The prepaid amount was offset as soon as an interest expense on related debt securities issued had been recognised. As at 31 December 2024, the prepaid amount is KZT 15,897,984 thousand.

During 2023 the Company raised no bond issues.

14. Amounts due to state and budget organisations

	<i>Year of maturity</i>	<i>Nominal interest rate, %</i>	<i>Currency</i>	<i>31 December 2024</i>	<i>31 December 2023</i>
Loans from state and budget organisations	2024–2033	0.01%	KZT	168,265,309	187,590,651
Loans from state and budget organisations	2027–2029	1.00%	KZT	1,330,027	933,695
				169,595,336	188,524,346

During 2024 the Company received a loan of KZT 480,000 for the purpose of providing loans to the end borrowers (development of entrepreneurship in rural areas of Atyrau Region). The loan bears an interest rate of 1% per annum and mature in 2029. The Company recognised discount of KZT 203,740 thousand on this loan on initial recognition in the unconsolidated statement of financial position as a liability related to the government grant (*Note 16*) which was partially utilised in the relevant periods. The Company applied an estimated market interest rate of 13.44% per annum to estimate the fair value of the above loan on initial recognition by discounting future contractual cash flows.

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

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During 2023 the Company received a loan of KZT 1,500,000 thousand. Part of this amount, KZT 1,000,000 thousand were raised for the purpose of providing loans to the end borrowers (support for small and medium-sized businesses in rural areas through lending of the end borrowers, including lending of startup projects in Atyrau Region). The loan bears an interest rate of 1% per annum and matures in 2028. The remaining KZT 500,000 thousand were raised for the purpose of lending of the entities operating in the agro-industrial complex of the Ulytau Region for purchase of new agricultural machinery and equipment. The interest rate is 0.01% per annum and a maturity date is in 2033. For all loans received the Company recognised a discount in the amount of KZT 823,769 thousand on initial recognition in the unconsolidated statement of financial position as a liability for government grant (*Note 16*), which was partially used in the respective periods. The Company applied estimated market interest rates of 14.74% – 15.56% per annum to measure the fair value of the above loans on initial recognition by discounting future contractual cash flows.

As at 31 December 2024 and 31 December 2023, the Company complied with restrictive covenants under the agreements with creditors.

15. Taxation

The corporate income tax expense comprises:

	<u>2024</u>	<u>2023</u>
Current income tax expense	(17,333,996)	(4,219,277)
Deferred corporate income tax expense – origination and decrease of temporary differences	6,124,345	(7,266,788)
Corporate income tax expense	(11,209,651)	(11,486,065)
	<u>2024</u>	<u>2023</u>
Deferred corporate income tax recognised in unconsolidated statement of profit or loss	6,124,345	(7,266,788)
Movements in deferred corporate income tax	6,124,345	(7,266,788)

As at 31 December 2024, the Company's has no current corporate income tax assets (31 December 2023: assets totalled KZT 2,136,597 thousand). As at 31 December 2024, the Company's current corporate income tax liabilities totalled KZT 2,364,381 thousand (31 December 2023: none). The corporate income tax rate for the Company was 20.0% in 2024 and 2023.

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

	<u>2024</u>	<u>2023</u>
Profit before corporate income tax	64,471,023	32,422,719
Statutory corporate income tax rate	20%	20%
Theoretical corporate income tax expense at the statutory rate	(12,894,205)	(6,484,544)
Non-taxable income from government securities	23,952	207,005
Non-taxable income on dividends	2,649,944	2,061,937
Non-deductible modification expenses	(70,762)	(5,968,800)
Non-deductible expenses on credit losses	(445,817)	(1,055,952)
Non-deductible expenses	(472,763)	(245,711)
Corporate income tax expense	(11,209,651)	(11,486,065)

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

	<i>Origination and reversal of temporary differences</i>		<i>Origination and reversal of temporary differences</i>		<i>2024</i>
	<i>2022</i>	<i>In the unconsolidated statement of profit or loss</i>	<i>2023</i>	<i>In the unconsolidated statement of profit or loss</i>	
Tax effect of deductible temporary differences					
Loans to customers	21,455,360	(8,069,032)	13,386,328	598,525	13,984,853
Loans to banks	59,640	85,783	145,423	862,159	1,007,582
Other assets	644,343	(60,567)	583,776	(106,045)	477,731
Current estimated liabilities	260,957	55,161	316,118	64,055	380,173
Government grants	6,924,687	(2,998,876)	3,925,811	(972,186)	2,953,625
Debt securities issued	767,552	(96,128)	671,424	51,863	723,287
Deferred corporate income tax assets	30,112,539	(11,083,659)	19,028,880	498,371	19,527,251
Tax effect of taxable temporary differences					
Amounts due to the Shareholder	(16,304,962)	1,204,380	(15,100,582)	1,125,342	(13,975,240)
Amounts due to state and budget organisations	(16,571,658)	3,323,131	(13,248,527)	3,312,583	(9,935,944)
Amounts due to the Government of the Republic of Kazakhstan	(1,850,450)	(682,710)	(2,533,160)	1,058,424	(1,474,736)
Property, plant and equipment and intangible assets	(149,341)	(27,930)	(177,271)	129,625	(47,646)
Deferred corporate income tax liabilities	(34,876,411)	3,816,871	(31,059,540)	5,625,974	(25,433,566)
Net deferred corporate income tax liabilities	(4,763,872)	(7,266,788)	(12,030,660)	6,124,345	(5,906,315)

Deferred corporate income tax assets are recognised only to the extent that it is probable that the future taxable profit will be available against which an asset can be utilised.

16. Government grants

	<i>31 December 2024</i>	<i>31 December 2023</i>
Government grants received from the Government of the Republic of Kazakhstan in the form of a loan from state and budget organisations and Shareholder under Agribusiness Development Programme	41,605,448	19,629,056
Government grants received from the Ministry of Agriculture of the Republic of Kazakhstan to partially subsidise the repayment of principal and interest on loans issued to the borrowers	2,439,935	3,105,769
Government grants	44,045,383	22,734,825

Government grants received from the Government of the Republic of Kazakhstan

The Company recorded as government grants the amount of benefits received in the form of loans at low interest rates extended by the state and budget organisations.

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

KZT'000

	2024	2023
At 1 January	19,629,056	34,623,434
Government grants received from the Government of the Republic in the form of a loan from the Ministry of Finance (Note 12)	19,955,981	27,620,548
Government grants received from the Government of the Republic of Kazakhstan to reimburse interest expenses on debt securities issued (Note 13)	71,073,311	–
Government grants received from the Government of the Republic of Kazakhstan in the form of a loan from local executive bodies (Note 14)	203,740	823,769
Utilisation of government grants to issue loans to eligible customer-borrowers under the Ken-Dala 2 government programme (Note 7)	(26,770,262)	–
Utilisation of government grants to issue loans to eligible banks under the Ken-Dala 2 government programme (Note 6)	(5,992,000)	–
Utilisation of government grant to issue loans to customer-borrowers under Ken-Dala Government (Note 7)	(11,285,940)	(13,431,629)
Utilisation of government grants to issue loans to eligible banks under the Ken-Dala government programme (Note 6)	(4,630,496)	(6,765,769)
Utilisation of government grants to issue loans to eligible customer-borrowers under the Employment Roadmap for 2020–2021 government programme (Note 7)	(2,191,895)	(2,750,618)
Utilisation of government grants to issue loans to eligible customer-borrowers under the Agribusiness (bonds) government programme (Note 7)	(1,812,718)	–
Utilisation of government grants to issue loans to borrowers under the Government Programme for the Development of Productive Employment and Mass Entrepreneurship for 2017–2021 (“Isker”) (Note 7)	(1,162,301)	(4,210,928)
Utilisation of government grant to issue loans to eligible banks under the Agribusiness (bonds) government programme (Note 6)	(349,504)	–
Government grants received from the Government of the Republic in the form of modification of loans from the Ministry of Finance (Note 12)	–	3,061,822
Utilisation of government grants to issue loans to eligible customers-borrowers as part of the loans received from the Holding (Note 7)	(718)	(2,478,012)
Amortisation for the period (Note 20)	(15,060,806)	(16,863,561)
Government grants	41,605,448	19,629,056

Subsequent to initial recognition of a government grant liability, the Company recorded in profit or loss an amount corresponding to the renegotiated loan on preferential terms for borrowers, once the Company met government programme conditions (Notes 6 and 7). The Company is obligated to distribute benefits to end borrowers by means of setting low interest rate on loans.

During 2024, government grants transferred to profit or loss (Note 20) amounted to KZT 69,256,640 thousand and were included in ‘other income/expenses (during 2023: KZT 46,500,517 thousand).

As at 31 December 2024 the Company has receivables of KZT 37,615,232 thousand related to government grants from the Government of the Republic of Kazakhstan to cover expenses on coupon interest on debt securities issued that were recognised in accordance with the Rules on Subsidising Coupon Rates on Bonds approved by the Ministry of Agriculture of the Republic of Kazakhstan.

Government grants received from the Ministry of Agriculture

	2024	2023
At 1 January	3,105,769	3,173,708
Received for the period	21,108,754	16,381,165
Returned to the Ministry of Agriculture/transferred to particular borrowers that have met special conditions	(9,235,989)	(6,606,995)
Utilisation of grant through offset against accrued interest payable of particular borrowers that have met special conditions	(12,538,599)	(9,842,109)
At 31 December	2,439,935	3,105,769

Government grants received from the Ministry of Agriculture are utilised to partially repay principal and interest owed by borrowers who have received loans for investment projects and to purchase new or previously unused machinery and equipment. To be eligible to receive these grants, borrowers must meet certain conditions.

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17. Equity*Share capital*

As at 31 December 2024 and 31 December 2023, the number of registered and issued ordinary shares of the Company is 427,059,079, which are fully paid by the Sole Shareholder.

In June 2023, according to the Resolution of the Shareholder dated 14 June 2023, No.23/23, a number of authorised ordinary shares of the Company increased through additional issue of 20,000,000 ordinary shares. Therefore, in July 2023, according to the Resolution of the Board of Directors of the Company dated 10 July 2023, No.7, the Company placed 20,000,000 ordinary shares at the offering price of KZT 1,000 per ordinary share through sale to the Shareholder that has a pre-emptive right to buy shares, with subsequent increase of the charter capital of KazAgroFinance JSC to finance purchase of agricultural machinery, forage machinery and mobile irrigation systems for subsequent transfer under lease agreements at the expense of targeted transfer from the National Fund of the Republic of Kazakhstan.

Reserve capital

During 2024, the Company increased reserve capital by KZT 8,864,130 thousand (during 2023: reserve capital increased by KZT 5,858,144 thousand). In accordance with the Company's policy, reserve capital is established to cover general risks including future losses and other contingent risks and circumstances. Reserve capital is subject to distribution based on the decision of the Shareholder.

Dividends

During 2024, in accordance with the decision of the Shareholder of 30 May 2024, the Company declared dividends of KZT 20,691,012 thousand or KZT 48.45 per ordinary share for the year ended 31 December 2023. Dividends were paid on 20 June 2024.

During 2023, in accordance with the decision of the Shareholder of 31 May 2023, the Company declared dividends of KZT 13,677,185 thousand or KZT 33.60 per ordinary share for the year ended 31 December 2022. Dividends were paid on 31 July 2023.

The book value per ordinary share calculated in accordance with the methodology of Kazakhstan Stock Exchange is as follows:

	<u>31 December 2024</u>	<u>31 December 2023</u>
Assets	1,526,254,662	1,072,750,661
Less intangible assets	(429,927)	(462,081)
Less liabilities	(1,062,092,616)	(641,158,975)
Net assets	463,732,119	431,129,605
Number of ordinary shares	427,059,079	427,059,079
Carrying amount of one ordinary share (KZT)	1,085.87	1,009.53

18. Expenses on credit losses

The table below presents the ECL expense for financial instruments recognised in the unconsolidated statement of profit or loss for the year ended 31 December 2024:

	<i>Note</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
Cash and cash equivalents	5	5,859	–	–	–	5,859
Loans to banks	6	156,016	–	–	–	156,016
Loans to customers	7	(14,438,043)	(3,747,107)	26,995,365	3,106,343	11,916,558
Finance lease receivables		5,931	(6,597)	5,523,429	–	5,522,763
Investment securities		(54,825)	–	–	–	(54,825)
Other financial assets	9	–	(23,177)	1,694,866	–	1,671,689
Credit related commitments	21	(513,860)	–	–	–	(513,860)
Total expenses on credit losses*		(14,838,922)	(3,776,881)	34,213,660	3,106,343	18,704,200

*The amount of expenses on credit losses differs from the total amount of expenses on credit losses recognised in the unconsolidated statement of profit or loss by the amount of losses on modification of Stage 3 assets in the total amount of KZT 13,048,424 thousand that adjusts the gross carrying amount of loans to customers as their repayment is not expected (Note 7).

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The table below presents the ECL expense for financial instruments recognised in the unconsolidated statement of profit or loss for the year ended 31 December 2023:

	<i>Note</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
Cash and cash equivalents		935	–	–	–	935
Loans to banks	6	(5,869)	–	–	–	(5,869)
Loans to customers	7	673,590	10,470,716	7,909,057	3,908,830	22,962,193
Finance lease receivables		(12,891)	159,748	555,724	–	702,581
Investment securities		(4,688)	–	–	–	(4,688)
Other financial assets	9	–	48,083	1,822,131	–	1,870,214
Credit related commitments	21	1,345,315	–	–	–	1,345,315
Total expenses on credit losses*		1,996,392	10,678,547	10,286,912	3,908,830	26,870,681

*The amount of expenses on credit losses differs from the total amount of expenses on credit losses recognised in the unconsolidated statement of profit or loss by the amount of losses on modification of Stage 3 assets in the total amount of KZT 12,434,672 thousand that adjusts the gross carrying amount of loans to customers as their repayment is not expected (Note 7).

19. Personnel expenses and other administrative expenses

Personnel and other operating expenses comprise the following items:

	<i>2024</i>	<i>2023</i>
Personnel expenses and other payments	(9,245,119)	(7,753,350)
Social security contributions	(1,199,261)	(870,472)
Personnel expenses	(10,444,380)	(8,623,822)
Outsourcing costs	(2,364,813)	(1,537,009)
Office rent and maintenance	(931,000)	(810,986)
Taxes and other mandatory payments to budget	(520,288)	(477,704)
Depreciation and amortisation	(448,735)	(491,461)
Transportation costs	(425,522)	(211,352)
Fee and commission expense	(405,171)	(61,505)
Technical maintenance of property, plant and equipment and intangible assets	(309,574)	(298,065)
Business travel expenses	(256,965)	(212,466)
Audit expenses (including conducting of review, and non-audit services related to translation of the financial statements into English, formatting and proofreading)	(177,000)	(132,000)
Marketing and advertising	(146,810)	(110,049)
Communication services	(141,586)	(160,901)
Consulting expenses	(108,576)	(138,969)
Stationary and printing	(72,483)	(121,231)
Security services	(56,513)	(41,675)
Personnel training	(52,956)	(87,194)
Information services	(50,734)	(40,190)
Materials	(23,470)	(46,621)
Administrative expenses of the Board of Directors	(20,919)	(20,577)
Bank services	(9,806)	(13,322)
Insurance expenses	(7,687)	(5,314)
Other	(130,705)	(262,666)
Other operating expenses	(6,661,313)	(5,281,257)

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including:

	<i>2024</i>	<i>2023</i>
General administrative expenses	(6,205,166)	(5,097,013)
Selling expenses	(10,900,527)	(8,808,066)
Total	(17,105,693)	(13,905,079)

Consulting expenses include the cost of non-audit services provided by the companies related to the Company's auditor for the year ended 31 December 2023, in the amount of KZT 14,560 thousand, including VAT.

20. Other income, net

	<i>2024</i>	<i>2023</i>
Other income from utilisation of government grants (<i>Note 16</i>)	54,195,834	29,636,956
Amortisation of government grant (<i>Note 16</i>)	15,060,806	16,863,561
Loss on initial recognition of loans to banks under the Ken-Dala government programme (<i>Note 6</i>)	(4,630,496)	(6,765,769)
Loss on initial recognition of loans to customers under the Ken-Dala government programme (<i>Note 7</i>)	(11,285,940)	(13,431,629)
Loss on initial recognition of loans to customers under Isker government programme (<i>Note 7</i>)	(1,162,301)	(4,210,928)
Loss on initial recognition of loans to customers under the Employment Roadmap for 2020–2021 programme and Enbek programme (<i>Note 7</i>)	(2,191,895)	(2,750,618)
Loss on initial recognition of other loans to customers (<i>Note 7</i>)	(7,081,283)	(8,961,245)
Loss on initial recognition on loans to banks under the Ken-Dala 2 government programme (<i>Note 6</i>)	(5,992,000)	–
Loss on initial recognition on loans to customers under the Ken-Dala 2 government programme (<i>Note 7</i>)	(26,770,262)	–
Loss on initial recognition on loans to banks under the Agribusiness (bonds) (<i>Note 6</i>)	(349,504)	–
Loss on initial recognition on loans to customers under the Agribusiness (bonds) (<i>Note 7</i>)	(1,812,718)	–
Loss on initial recognition of loans to customers provided as part of the loan received from the Holding (<i>Note 7</i>)	(718)	(2,478,012)
Agency fee on rural mortgage	571	517,328
Agency fees on micro-loans to young people	538,577	219,139
Income from sale of investment property	5,753,937	–
Other income	1,564,870	2,870,616
Other income, net	15,837,478	11,509,399

Other income from utilisation of government grants was recognised as income based on the results of compliance with the terms of the relevant government programmes (*Note 16*).

During 2024 the Company recognised income from sale of investment property in the amount of KZT 5,753,937 thousand, VAT excluding, whose carrying amount as at 31 December 2023 was KZT 2,599,511 thousand.

21. Commitments and contingent liabilities**Taxation**

Kazakhstani commercial, and in particular, tax legislation contains regulations, interpretation of which could vary, and in certain cases, the legislation could be amended with indirect retrospective impact. Also, the Company's management's interpretation of the legislation may differ from that of tax authorities, and as a result, transactions carried out by the Company could be estimated by tax authorities in another way, and this could result in an additional charge of taxes, fines and penalties. The Company's management believes that all necessary tax accruals were fulfilled and, correspondingly, there were no allowances charged in the statements. Tax periods remain open for 5 years. Management believes that its interpretation of the legislation as at 31 December 2024 and 31 December 2023 is appropriate and the Company's positions in terms of taxes, currency legislation and customs duties will be confirmed.

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Legal matters

In the normal course of business, the Company is the subject of legal actions and claims. Management believes that the potential liabilities, if any, resulting from such actions and claims will not have a material adverse effect on the Company's future financial position or performance.

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

Credit related commitments

Commitments and contingent liabilities of the Company comprise the following items:

	<u>31 December 2024</u>	<u>31 December 2023</u>
Credit related commitments		
Loan commitments	250,123,578	156,028,243
Allowance for expected credit losses	(1,510,737)	(2,024,597)
	<u>248,612,841</u>	<u>154,003,646</u>
Operating lease liabilities		
Up to 1 year	78,895	51,919
Commitments and contingent liabilities	<u>248,691,736</u>	<u>154,055,565</u>

Credit related commitments

The total outstanding contractual commitments above do not necessarily represent future cash requirements, as these credit related commitments may expire or terminate without being funded.

The Loan Commitment Agreement provides for the right of the Company to unilaterally withdraw from the agreement if unfavourable conditions arise for the Company, and if no resources for lending are available.

The counterparties on loan commitments as at 31 December 2024 and 31 December 2023 are current borrowers of the Company, agro-industrial enterprises with no credit rating assigned and classified into Stage 1, that are not past due on principal and interest payments as at the reporting date.

The following is an analysis of movements in ECL allowance:

Loan commitments	<u>2024</u>	<u>2023</u>
	<i>Stage 1</i>	<i>Stage 1</i>
At 1 January	2,024,597	679,282
Movement in ECLs during the year	(513,860)	1,345,315
31 December	<u>1,510,737</u>	<u>2,024,597</u>

22. Risk management**Introduction**

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

Risk management structure

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

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 Company.

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

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Risk control

The Risk Management Department is responsible for implementing and maintaining risk related procedures to ensure an independent control process, and for monitoring compliance with risk principles, policies and limits, across the Company. The Company's Risk Management Department comprises two separate units: financial risk management and credit risk departments.

Treasury

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

Internal Audit

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

Risk measurement and reporting systems

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on statistical models.

Information compiled from all the businesses is examined and processed to analyse, control and identify early risks. This information is presented and explained to the Board, the Board of Directors and the head of each business unit. The report includes aggregate credit exposure, credit metric forecasts, hold limit exceptions, liquidity ratios and risk profile changes. On a monthly basis detailed reporting of industry, customer and geographic risks takes place. The Board of Directors receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Company.

Excessive risk concentration

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

Credit risk

Credit risk is the risk that the Company will incur a loss because its customers, clients or counterparties failed to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures for such limits. For example, to avoid concentrations of credit risk with one or a group of affiliated companies, a limit of up to 25.00% of the Company's equity has been set. Counterparty-bank limits for interbank transactions are established by the Shareholder.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions, carried out by the Company's designated business units. The credit quality review process allows the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

The carrying amount of components of the unconsolidated 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.

For more detail on the maximum exposure to credit risk for each class of financial instrument, references shall be made to the specific notes.

Impairment assessment

As part of the methodology used for determining at the end of each reporting period whether credit risk on the financial instrument has increased significantly since initial recognition, by assessing the change in the risk of a default occurring over the remaining life of the financial instrument, the Company divided all loans issued into groups as follows.

The Company calculates ECL based on several probability-weighted scenarios, to measure the expected cash shortfalls, discounted using the effective interest rate (EIR). A cash shortfall is a difference between the cash flows that are due to an entity following the contract and the cash flows that the entity expects to receive. The mechanics of the ECL calculations are outlined below and the key elements are as follows:

Probability of Default (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 derecognised and is still in the portfolio.
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EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

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Exposure at Default (EAD)	The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure (EAD) after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities and accrued interest from missed payments.
Loss Given Default (LGD)	<i>The Loss Given Default</i> is an estimate of the loss arising in the case where default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

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

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

Stage 1:	When loans are first recognised, the Company recognises an allowance based on 12mECL. Stage 1 also includes loans and other credit lines, 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 Company records an allowance for the lifetime ECL. Stage 2 also includes loans and other credit lines, where the credit risk has improved and the loan has been reclassified from Stage 3.
Stage 3:	Credit-impaired loans. The Company recognises an allowance for the lifetime ECL.
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 initial recognition and interest revenue is subsequently recognised based on a credit-adjusted EIR. Loss allowance for ECL is only recognised or released to the extent that there is a subsequent change in the lifetime expected credit losses.

In determining the loss allowance for expected credit losses on loans to customers as at 31 December 2024 and 31 December 2023, management applied the following key assumptions:

- PDs are estimated for appropriate pools, depending on the portfolio segmentation:
 - PDs for loans issued to legal entities— credit co-operatives, for which loss allowance is measured at an amount equal to 12-months expected credit losses (ECL) was 9.85% (31 December 2023: 12.32%), and for loans that are not credit-impaired and for which loss allowance is measured in full, that is at an amount equal to lifetime ECL, was 55.50% (31 December 2023: 58.64%);
 - PDs for loans issued to legal entities, intended for funding investment projects, which are not credit-impaired, and for impaired financial assets, with the gross carrying amount of less than 0.2% of the equity, and for which loss allowance is measured at an amount equal to 12-months expected credit losses (ECL) was 19.84% (31 December 2023: 20.69%), and for loans that are not credit-impaired and for which loss allowance is measured in full, that is at an amount equal to lifetime ECL, was 77.75% (31 December 2023: 77.82%);
 - PDs for loans issued to legal entities, intended for funding investment projects, which are not credit-impaired, and for impaired financial assets, with the gross carrying amount of more than 0.2% of the equity, and for which loss allowance is measured at an amount equal to 12-months expected credit losses (ECL) was 26.93% (31 December 2023: 57.94%), and for loans that are not credit-impaired and for which loss allowance is measured in full, that is at an amount equal to lifetime ECL, was 89.92% (31 December 2023: 78.66%);
 - PDs for loans issued to other legal entities, for which loss allowance is measured at an amount equal to 12-months expected credit losses, were 0.77% – 14.13% (31 December 2023: 0.66% – 57.01%), and for loans that are not credit-impaired and for which loss allowance is measured in full, that is at an amount equal to lifetime ECL, were 40.92% – 71.77% (31 December 2023: 54.2% – 75.5%);

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- PDs for loans issued to the group of individuals, for which loss allowance is measured at an amount equal to 12-months expected credit losses were 6.08% – 19.84% (31 December 2023: 6.83% – 20.69%), and for loans that are not credit-impaired and for which loss allowance is measured in full, that is at an amount equal to lifetime ECL, were 37.78% – 79.31% (31 December 2023: 52.45% – 81.64%).
- The LGD is estimated individually, for each loan:
 - LGDs for loans that are not credit-impaired and for impaired financial assets, with the gross carrying amount of less than 0.2% of the equity, ranged from 0.038% to 100.00% (31 December 2023: 0.25% to 100.00%). LGDs for credit-impaired financial assets, with the gross carrying amount of more than 0.2% of the equity, ranged from 0.98% to 100.00% (31 December 2023: 0.45% to 100.00%);
 - the originally appraised value of the property pledged is reduced by the liquidity ratios, used to estimate RR (Collateral) and expected periods for the sale of collateral. For credit-impaired financial assets, with the gross carrying amount of more than 0.2% of the equity, the average period for sale of collateral is set at 24 months, and liquidity ratios are set at 0.40–1.00, depending on the type of collateral. For loans that are not credit-impaired and for impaired financial assets, with the gross carrying amount of less than 0.2% of the equity, the average period for the sale of collateral is set to range from 20 to 36 months (31 December 2023: from 20 to 31 months), and liquidity ratios are set at 0.40–1.00, depending on the type of collateral;
 - property in the form of collateral to be received in future, and collaterals not revaluated during the reporting year, and collaterals for loans overdue for more than 6 years are excluded from collaterals value;
 - movable property is depreciated at the rate of depreciation of 10% of the estimated value, annually;
 - the factor that collateral might not be foreclosed due to restrictions imposed (such as transfer of ownership rights to third parties and other restrictions) and/or whether it would be possible to sell pledged property once collateral is foreclosed (adverse characteristics of the pledged property and other factors), the pwrite-off coefficient is considered.

During 2024, the Company updated historical data on monthly repayments for all loans issued to customers after the default, in accordance with the default criteria established by the Company. Repayment statistics included the amounts of subsidies received by borrowers from the state and quasi-state organisations as compensation for part of the interest rate, subject to meeting certain conditions. Moreover, in 2024, the Company rebalanced the RR (Cash) component, implementing the 'LGD outdated' mechanism for loans for which more 60 months had passed since the default date.

In 2024, the Company revised the method employing collaterals in estimating LGD (RRCollateral) and excluded from the estimate a significant part of commercial property items. The decision was made in alignment with the Company's strategic objective of supporting the agro-industrial complex, taking into account the low probability that foreclosure proceedings on such collateral will be initiated in the event of a default. Therefore, in calculating LGDs for these loans issued to customers, the focus has shifted towards estimating expected proceeds from operating activities of the borrowers, or cash settlements (RR (Cash)).

Definition of default and cure

The Company considers a financial instrument in default and therefore, allocates it to Stage 3 (credit-impaired) for ECL calculations in all cases when one or two events that are considered to be objective evidence of impairment or default of the loans have occurred.

A financial asset is to be in default when the borrower is past due more than 60 calendar days, or when one or two events indicate, as a part of a qualitative assessment of whether a customer is in default, that the Company is unlikely to receive the outstanding contractual amounts. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- the borrower is past due more than 60 calendar days and in a cross-default;
- the borrower restructured the asset once or more times over the past twelve months;
- enforcement in court or bankruptcy proceedings;
- reasonable and supportable information is available that indicates a counterparty is in significant financial difficulties, or that levels of the borrower's income or its solvency significantly deteriorated;
- other evidence of impairment or default considered under the Company's Provision Calculation Methodology.

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In accordance with the Company's policy, financial instruments are transferred from Stage 3, when none of the criteria for the occurrence of a default was observed at the reporting date, nor the reclassification criteria defined in the Company's Provision Calculation Methodology have been met. The decision as to whether an asset should be classified as Stage 2 or Stage 1 depends on whether there is an indication of an increase in credit risk at the reporting date since initial recognition, and whether the reclassification criteria defined in the Company's Provision Calculation Methodology have been met. These criteria include the following: A credit-impaired financial asset is transferred to the category of financial assets with indicators of a significant increase in credit risk, provided that the counterparty has repaid the outstanding amounts for a period of at least 12 months which results in the decrease in the gross carrying amount of the financial asset as of the date when allowance for expected credit losses (ECL) was created, to the amount equal to, or lower than, the outstanding amount at the time when the financial asset was transferred to 'credit impaired financial assets', and if events that are considered to be the evidence of the asset to be credit-impaired according to the criteria established by the Company's Provision Calculation Methodology, have not occurred, at the date of assessment. A financial asset with indicators of a significant increase in credit risk is transferred to the category of financial assets for which allowance for expected credit losses is measured at the amount equal to 12-months expected credit losses, provided that the counterparty has repaid the outstanding amounts, which results in the decrease in the gross carrying amount of the financial asset as of the date when allowance for expected credit losses (ECL) was created, to the amount equal to, or lower than, the outstanding amount at the time when the financial asset was transferred to 'the financial assets with indicators of a significant increase in credit risk', and if no significant increase in credit risk occurred on the financial asset as of the date when allowance for expected credit losses (ECL) was created.

Therefore, the criteria to be met for loans to be transferred (reclassified) between the stages of impairment include but not limited to one or more of the following conditions:

- a period from the date of mandatory restructuring, during which the financial condition of the borrower has not deteriorated significantly, is at least 12 months. For loans issued to individuals, assessed on a collective basis, a minimum period of 6 months can be used, based on historical statistics on recovery of restructured loans issued to individuals, that indicates a stabilization of dynamics to hold overdue payments, starting with the seventh payment. For other events, which are objective evidence of impairment, – from the time of exclusion of the event that caused the stage of credit impairment to have deteriorated.
- the aggregate amount of payments made by the borrower after the asset was recognised credit-impaired, is greater or equal to the amount past due earlier.

Treasury and interbank relationships

The treasury and interbank relationships of the Company comprise second-tier banks (STBs), including guaranteed loans provided by STBs, to which external credit ratings are assigned by at least by one of the three international rating agencies (Fitch Ratings, Moody's Investors Service, S&P Global Ratings). For assessment of interbank transactions with counterparties, the Company assesses each counterparty separately. For counterparties with an external rating provided by international rating agencies or other available sources, the Company uses the probability of default according to the Moody's Investors Service (corporate ratings).

Agribusiness lending

For agribusiness lending, the Company's structural divisions involved in calculating provisions perform work to determine whether there are indicators of a significant increase in credit risk, as well as loan impairment/default. The credit risk assessment is based on 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 realised and expected results, solvency ratios, liquidity ratios and any other relevant ratios to measure the client's financial performance.
- Macroeconomic information.
- Other reasonable and supportable information about the quality of the client's management and capabilities that is relevant to assess the entity's performance.

Exposure at Default

Exposure at default (EAD) is the gross carrying amount of financial instruments subject to impairment assessment and it reflects both the ability of the client to increase its debt as it approaches default and the possibility of early repayment.

Loss Given Default

To determine the loss given default (LGD), the Company takes into consideration cash repayments from the borrower after default (Post-Default Rate – RR (Cash)) and collateral on the loan. The RR (Cash) is assessed once a quarter. The value of the collateral is reviewed within the approved time frame for the revaluation of collateral assets, agreed by the Company.

As part of determining cash flows, monthly cash repayments on defaulted loans (not including foreclosure amounts) are analysed for at least the last 5 years and monthly cumulative RR (Cash) for five years is calculated.

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To estimate the collateral recovery rate (RR(Collateral)), the Company considers the fair value of collateral, taking account of a liquidity ratio, discounted during the period from the date of the estimate to expected sale date. Also, when estimating LGD, the Company considers a p-write-off coefficient – the likelihood of that collateral would not be recovered due to limitations, and/or the likelihood of that collateral would not be sold once the Company has foreclosed on it.

The credit risk assessment is based on a standardized LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held.

Significant increase in credit risk

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When making the assessment, the Company considers the change in the risk of a default occurring over the expected life of the financial instrument rather than the change in the amount of expected credit losses. The Company compares the risk of default on a financial instrument as at the reporting date with the risk of default on a financial instrument as at the date of initial recognition, and considers reasonable and supportable information that is available without undue cost or effort, which indicates a significant increase in credit risk from the time of initial recognition of the relevant instrument.

If reasonable and supportable forward-looking information is available without undue cost or effort, the Company does not rely solely on information on overdue payments in determining whether credit risk has increased significantly since initial recognition. However, when such information is not available, the Company uses information on overdue payments and the existence of restructuring of the borrower's debt in determining whether the credit risk has increased significantly since the initial recognition of the asset.

Grouping financial assets measured on a collective basis

Depending on the factors below, the Company calculates ECLs either on a collective or on an individual basis. During 2024, the Company revised the grouping of financial assets measured on a collective basis.

The Company assesses ECL on an individual basis for the following assets:

- all financial assets with indicators of impairment and/or default with a total debt of more than 0.2% of equity and/or where a credit facility is available with a total debt of more than 0.2% of equity as at the date of initial recognition of the financial asset (31 December 2023: all financial assets with indicators of impairment and/or default with a total debt of more than 0.2% of equity as at the previous reporting date according to the financial statements);
- treasury and interbank relationships (for example, amounts due from banks, cash equivalents and investment securities measured at amortised cost) (31 December 2023: the same);
- financial assets that were classified as POCI at the time of derecognition of the original loan and recognition of the new loan as a result of debt restructuring (31 December 2023: the same).

The Company calculates ECL on a collective basis for financial assets with no indicators of impairment/default and/or debt of less than 0.2% of equity as at the date of initial recognition of the financial asset (31 December 2023: debt of less than 0.2% of equity as at the previous reporting date according to the financial statements). When performing an assessment on a collective basis, segmentation of loans with similar risk characteristics for collective impairment evaluation is performed. ECLs for assets assessed on a collective basis are calculated for each segment separately.

Forward-looking information and multiple economic scenarios

In its ECL models, the Company relies on macroeconomic forecast information on GDP growth rates as economic inputs.

The choice of the macroeconomic factor is due to the fact that it is one of the most general (broad) indicators, in economic terms, that reflects the influence of many other factors.

To obtain forward-looking information, the Company relies on data from external sources (official website of the relevant state authorities, the National Bank of the Republic of Kazakhstan and other external information sources). The table below shows the values of forecast economic variables/assumptions used in each economic scenario to assess ECLs:

Key drivers	ECL scenario	Assigned probability, %	2025, %
GDP growth	Optimistic	10%	1.92
	Base	70%	0.92
	Pessimistic	20%	0.08

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

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The Company's financial assets and liabilities are concentrated in the Republic of Kazakhstan.

Liquidity risk and funding management

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

Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial liabilities at 31 December 2024 and 2023, based on contractual undiscounted payments.

At 31 December 2024	<i>On demand and less than 1 month</i>	<i>From 1 to 3 months</i>	<i>From 3 to 6 months</i>	<i>From 6 to 12 months</i>	<i>More than 1 year</i>	<i>Total</i>
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Non-derivative financial liabilities

Amounts due to the Government of the Republic of Kazakhstan	500	1,000	1,500	70,008,625	–	70,011,625
Amounts due to the Shareholder	19,643	1,156,066	637,724	14,078,787	138,841,814	154,734,034
Amounts due to credit institutions	8,831,778	5,374,755	2,688,247	19,098,455	54,950,852	90,944,087
Amounts due to the state and budget organisations	–	16,127,570	6,758,375	5,298,283	191,233,798	219,418,026
Debt securities issued	–	1,639,171	203,758,009	63,601,282	521,214,555	790,213,017
Government grants	–	–	–	2,439,935	–	2,439,935
Other financial liabilities	2,068,533	70,276	–	799,127	62,329	3,000,265
Total liabilities	10,920,454	24,368,838	213,843,855	175,324,494	906,303,348	1,330,760,989

At 31 December 2023	<i>On demand and less than 1 month</i>	<i>From 1 to 3 months</i>	<i>From 3 to 6 months</i>	<i>From 6 to 12 months</i>	<i>More than 1 year</i>	<i>Total</i>
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Non-derivative financial liabilities:

Amounts due to the Government of the Republic of Kazakhstan	500	1,000	1,500	90,013,475	–	90,016,475
Amounts due to the Shareholder	49,681	1,204,463	744,794	15,050,686	154,734,034	171,783,658
Amounts due to credit institutions	–	3,474,805	12,291,711	23,534,668	78,727,648	118,028,832
Amounts due to the state and budget organisations	–	5,837,561	22,732,459	7,446,789	218,890,559	254,907,368
Debt securities issued	–	1,639,171	7,736,479	9,730,650	257,146,486	276,252,786
Government grants	–	–	–	3,105,769	–	3,105,769
Other financial liabilities	4,105,849	83,086	39,807	149,346	1,956,414	6,334,502
Total liabilities	4,156,030	12,240,086	43,546,750	149,031,383	711,455,141	920,429,390

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

	<i>Less than 3 months</i>	<i>From 3 to 12 months</i>	<i>From 1 to 5 years</i>	<i>More than 5 years</i>	<i>Total</i>
2024	250,123,578	–	–	–	250,123,578

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

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2023	156,028,243	–	–	–	156,028,243
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The Company expects that not all of the contingent liabilities or commitments will be drawn before the expiry of the commitments.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market variables such as interest rates and foreign exchanges.

Interest rate risk

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

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company is not exposed to currency risk as all its assets and liabilities are denominated in KZT.

Operational risk

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

23. Changes in liabilities arising from financing activities

	<i>Amounts due to the Shareholder</i>	<i>Amounts due to credit institutions</i>	<i>Debt securities issued</i>	<i>Amounts due to the Government of the Republic of Kazakhstan</i>	<i>Amounts due to the state and budget organisations</i>	<i>Total liabilities from financing activities</i>
Carrying amount at 1 January 2023	89,417,496	48,884,037	178,599,494	60,747,873	182,850,442	560,499,342
Additions	–	55,967,000	–	140,000,000	1,500,000	197,467,000
Repayment	(14,314,148)	(24,244,000)	(10,000,000)	(120,000,000)	(12,442,228)	(181,000,376)
Dividends declared	13,677,185	–	–	–	–	13,677,185
Dividends paid	(13,677,185)	–	–	–	–	(13,677,185)
Discount on initial recognition of liabilities at fair value or recognised as a result of modification of original contractual terms	–	–	–	(30,682,370)	(823,769)	(31,506,139)
Other	5,989,664	(104,215)	1,557,962	27,275,295	17,439,901	52,158,607
Carrying amount at 31 December 2023	81,093,012	80,502,822	170,157,456	77,340,798	188,524,346	597,618,434
Carrying amount at 1 January 2024	81,093,012	80,502,822	170,157,456	77,340,798	188,524,346	597,618,434
Additions	–	12,100,000	464,533,580	140,000,000	480,000	617,113,580
Repayment	(15,480,923)	(26,083,333)	–	(160,000,000)	(35,969,449)	(237,533,705)
Dividends declared	20,691,012	–	–	–	–	20,691,012
Dividends paid	(20,691,012)	–	–	–	–	(20,691,012)
Discount on initial recognition of liabilities at fair value or recognised as a result of modification of original contractual terms	–	–	–	(19,955,981)	(203,740)	(20,159,721)
Other	5,583,929	(23,143)	(1,183,868)	25,246,714	16,764,179	46,387,811
Carrying amount at 31 December 2024	71,196,018	66,496,346	633,507,168	62,631,531	169,595,336	1,003,426,399

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

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The item 'Other' includes, except discount/premium for the period, the effect of accrued but not paid interest on liabilities arising from financing activities. The Company recognised paid interest as cash flows from operating activities.

24. Fair value of financial instruments

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

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table provides an analysis of financial instruments whose fair values are disclosed by levels of the hierarchy of sources of fair value:

	<i>Valuation date</i>	<i>Fair value measurement using</i>			<i>Total</i>
		<i>Input data of Level 1</i>	<i>Input data of Level 2</i>	<i>Input data of Level 3</i>	
31 December 2024					
Assets with a disclosed fair value					
Cash and cash equivalents	31 December 2024	–	377,152,699	–	377,152,699
Loans to banks	31 December 2024	–	78,779,768	–	78,779,768
Loans to customers	31 December 2024	–	721,673,471	68,403,885	790,077,356
Finance lease receivables	31 December 2024	–	970,551	2,407,820	3,378,371
Receivables from the Government of the Republic of Kazakhstan	31 December 2024	–	37,615,232	–	37,615,232
Coupon prepayments on debt securities issued	31 December 2024	–	15,897,984	–	15,897,984
Other financial assets	31 December 2024	–	4,530,520	–	4,530,520
Liabilities whose fair value is disclosed					
Amounts due to the Shareholder	31 December 2024	–	63,694,970	–	63,694,970
Amounts due to credit institutions	31 December 2024	–	66,496,346	–	66,496,346
Amounts due to the state and budget organisations	31 December 2024	–	166,112,826	–	166,112,826
Amounts due to the Government of the Republic of Kazakhstan	31 December 2024	–	62,802,311	–	62,802,311
Debt securities issued	31 December 2024	–	628,503,200	–	628,503,200
Other financial liabilities	31 December 2024	–	3,000,265	–	3,000,265
At 31 December 2023					
Assets with a disclosed fair value					
Cash and cash equivalents	31 December 2023	–	125,187,941	–	125,187,941
Loans to banks	31 December 2023	–	28,863,808	–	28,863,808
Loans to customers	31 December 2023	–	537,009,711	115,741,806	652,751,517
Finance lease receivables	31 December 2023	–	2,205,942	5,811,044	8,016,986
Other financial assets	31 December 2023	–	6,020,366	–	6,020,366
Liabilities whose fair value is disclosed					
Amounts due to the Shareholder	31 December 2023	–	66,367,444	–	66,367,444
Amounts due to credit institutions	31 December 2023	–	80,502,822	–	80,502,822
Amounts due to the state and budget organisations	31 December 2023	–	170,268,015	–	170,268,015
Amounts due to the Government of the Republic of Kazakhstan	31 December 2023	–	78,590,490	–	78,590,490
Debt securities issued	31 December 2023	–	151,178,003	–	151,178,003
Other financial liabilities	31 December 2023	–	6,334,502	–	6,334,502

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

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Financial instruments not measured at fair value in the unconsolidated statement of financial position

A comparison of the carrying amounts and fair values of the Company's financial instruments presented in the unconsolidated financial statements is provided below. Fair values of non-financial assets and non-financial liabilities are not presented in the table.

	31 December 2024		
	Carrying amount	Fair value	Unrecognised (loss)/profit
Financial assets			
Cash and cash equivalents	377,152,699	377,152,699	–
Loans to banks	78,341,329	78,779,768	438,439
Loans to customers	837,571,562	790,077,356	(47,494,206)
Finance lease receivables	3,467,292	3,378,371	(88,921)
Receivables from the Government of the Republic of Kazakhstan	37,615,232	37,615,232	–
Coupon prepayments on debt securities issued	15,897,984	15,897,984	–
Other financial assets	4,530,520	4,530,520	–
Financial liabilities			
Amounts due to the Shareholder	71,196,018	63,694,970	7,501,048
Amounts due to credit institutions	66,496,346	66,496,346	–
Amounts due to the state and budget organisations	169,595,336	166,112,826	3,482,510
Amounts due to the Government of the Republic of Kazakhstan	62,631,531	62,802,311	(170,780)
Debt securities issued	633,507,168	628,503,200	5,003,968
Other financial liabilities	3,000,265	3,000,265	–
Total unrecognised change in unrealised fair value			(31,327,942)
	31 December 2023		
	Carrying amount	Fair value	Unrecognised (loss)/profit
Financial assets			
Cash and cash equivalents	125,187,941	125,187,941	–
Loans to banks	29,575,908	28,863,808	(712,100)
Loans to customers	726,810,986	652,751,517	(74,059,469)
Finance lease receivables	9,040,648	8,016,986	(1,023,662)
Other financial assets	6,020,366	6,020,366	–
Financial liabilities			
Amounts due to the Shareholder	81,093,012	66,367,444	14,725,568
Amounts due to credit institutions	80,502,822	80,502,822	–
Amounts due to the state and budget organisations	188,524,346	170,268,015	18,256,331
Amounts due to the Government of the Republic of Kazakhstan	77,340,798	78,590,490	(1,249,692)
Debt securities issued	170,157,456	151,178,003	18,979,453
Other financial liabilities	6,334,502	6,334,502	–
Total unrecognised change in unrealised fair value			(25,083,571)

The following describes the methodologies and assumptions used to determine fair values for those financial instruments, which are not recorded at fair value in these unconsolidated financial statements.

Assets which fair value approximates their present value

For financial assets and financial liabilities that are liquid or have a short maturity (less than three months), it is assumed that their present value approximates fair value. This assumption is also applied to demand deposits, and savings accounts without a specific maturity.

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024***KZT'000**Fixed rate instruments*

For listed debt instruments, the fair value is based on quoted market prices. In case of non-quoted debt instruments, a discounted cash flow model is used using the current interest rate, taking into account the remaining period to maturity for debt instruments with similar terms and credit risk.

For loans to banks and loans to customers future cash flows are discounted using an average market rate of financial instruments with similar maturities, based on statistics published by the NBRK. This approach was used to measure the fair value of loans to customers. As at 31 December 2024, an average market interest rate was 17.20% to 25.20% p.a. (31 December 2023: 19.70–23.20% p.a.).

For liabilities whose fair value is disclosed in the unconsolidated financial statements, future cash flows are discounted using the market interest rates calculated using the build-up model, using all observable inputs such as KASE yield curve and credit spread for the rating of the Company adjusted by maturity, published by Bloomberg. As at 31 December 2024, the market interest rate used to measure the fair value of loans raised was 12.89–14.1% p.a. (31 December 2023: 14.74–18.25% p.a.). Future cash flows include repayment of a principal debt and interest calculated at the contractual interest rate applied to the principal debt.

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2024

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25. Maturity analysis of assets and liabilities

The following table shows assets and liabilities by expected maturities. See Note 22 *Risk Management* for the Company's contractual undiscounted repayment obligations.

	On demand	Less than 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	More than 5 years	No maturity	Total
Assets								
Cash and cash equivalents	48,022,139	329,130,560	–	–	–	–	–	377,152,699
Amounts due from credit institutions	–	449,332	41,021,981	19,278,886	17,591,130	–	–	78,341,329
Loans to customers	68,453,794	10,241,755	128,048,061	140,075,625	358,275,257	132,477,070	–	837,571,562
Finance lease receivables	–	65,810	3,360	277,159	1,942,176	1,178,787	–	3,467,292
Assets held for sale	–	–	–	977,094	–	–	–	977,094
Investments in subsidiaries	–	–	–	–	–	–	167,470,014	167,470,014
Receivables from the Government of the Republic of Kazakhstan	–	–	–	28,740,232	8,875,000	–	–	37,615,232
Property, plant and equipment	–	–	–	–	–	–	1,183,946	1,183,946
Intangible assets	–	–	–	–	–	–	429,927	429,927
Coupon prepayment on debt securities issued	–	–	8,963,726	6,934,258	–	–	–	15,897,984
Other assets	–	135,014	129,812	2,689,546	2,832,877	360,334	–	6,147,583
Total assets	116,475,933	340,022,471	178,166,940	198,972,800	389,516,440	134,016,191	169,083,887	1,526,254,662
Liabilities								
Amounts due to the Shareholder	–	547	371,809	6,965,791	14,943,227	48,914,644	–	71,196,018
Amounts due to credit institutions	–	8,800,612	2,955,468	14,517,951	40,222,315	–	–	66,496,346
Amounts due to the Government of the Republic of Kazakhstan	–	447	895	62,630,189	–	–	–	62,631,531
Debt securities issued	–	–	120,841	216,671,569	315,440,986	101,273,772	–	633,507,168
Amounts due to the state and budget organisations	–	–	12,465,056	9,305,643	134,764,143	13,060,494	–	169,595,336
Current estimated liabilities	–	–	–	2,497,881	–	–	–	2,497,881
Current corporate income tax liabilities	–	–	–	2,364,381	–	–	–	2,364,381
Deferred corporate income tax liabilities	–	–	–	–	–	5,906,315	–	5,906,315
Government grants	–	–	–	9,130,848	26,014,100	8,900,435	–	44,045,383
Other liabilities	1,510,737	1,014,767	236,196	1,028,228	62,329	–	–	3,852,257
Total liabilities	1,510,737	9,816,373	16,150,265	325,112,481	531,447,100	178,055,660	–	1,062,092,616
Net position as at 31 December 2024	114,965,196	330,206,098	162,016,675	(126,139,681)	(141,930,660)	(44,039,469)	169,083,887	464,162,046

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

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	On demand	Less than 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	More than 5 years	No maturity	Total
Assets								
Cash and cash equivalents	52,710,445	72,477,496	–	–	–	–	–	125,187,941
Amounts due from credit institutions	–	–	29,575,908	–	–	–	–	29,575,908
Loans to customers	42,867,158	8,743,562	36,974,570	143,889,265	350,082,427	144,254,004	–	726,810,986
Finance lease receivables	–	137,347	106,080	640,506	4,621,111	3,535,604	–	9,040,648
Assets held for sale	–	–	–	726,309	–	–	–	726,309
Investments in subsidiaries	–	–	–	–	–	–	167,470,014	167,470,014
Investment property	–	–	–	–	–	–	2,599,511	2,599,511
Property, plant and equipment	–	–	–	–	–	–	1,476,063	1,476,063
Intangible assets	–	–	–	–	–	–	462,081	462,081
Current corporate income tax assets	–	–	–	2,136,597	–	–	–	2,136,597
Other assets	474,463	137,983	114,651	2,055,476	2,941,785	1,540,245	–	7,264,603
Total assets	96,052,066	81,496,388	66,771,209	149,448,153	357,645,323	149,329,853	172,007,669	1,072,750,661
Liabilities								
Amounts due to the Shareholder	–	10,550	400,900	7,628,183	19,031,343	54,022,036	–	81,093,012
Amounts due to the Government of the Republic of Kazakhstan	–	430	859	77,339,509	–	–	–	77,340,798
Amounts due to credit institutions	–	–	45,944	26,212,157	48,248,203	5,996,518	–	80,502,822
Debt securities issued	–	–	72,456	772,093	65,283,668	104,029,239	–	170,157,456
Amounts due to the state and budget organisations	–	–	4,309,780	22,311,979	131,533,020	30,369,567	–	188,524,346
Current estimated liabilities	–	–	–	1,719,345	–	–	–	1,719,345
Deferred corporate income tax liabilities	–	–	–	–	–	12,030,660	–	12,030,660
Government grants	–	–	–	3,105,769	–	19,629,056	–	22,734,825
Other liabilities	3,782,405	908,308	185,130	223,454	26,790	1,929,624	–	7,055,711
Total liabilities	3,782,405	919,288	5,015,069	139,312,489	264,123,024	228,006,700	–	641,158,975
Net position as at 31 December 2023	92,269,661	80,577,100	61,756,140	10,135,664	93,522,299	(78,676,847)	172,007,669	431,591,686

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

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26. Segment reporting

The Company's operations are highly integrated and constitute a single business segment for the purposes of IFRS 8 *Segment Reporting*. The Company's assets are primarily located in the Republic of Kazakhstan and the Company generates income from operations conducted within and associated with the Republic of Kazakhstan. The Chief Operating Decision Maker, in the case of the Company, the Chairman of the Board, receives and reviews the information on the Company as a whole.

27. Related party transactions

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

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

The Government of the Republic of Kazakhstan controls the Company's operations through the Shareholder.

The outstanding balances of related party transactions as at the end of the reporting period and respective amounts of income and expenses are provided below:

	31 December 2024				31 December 2023			
	Nominal interest rate, %	Shareholder	Entities under common control of the Shareholder	Government-related organisations	Nominal interest rate, %	Shareholder	Entities under common control of the Shareholder	Government-related organisations
Assets								
Cash and cash equivalents	–	–	–	329,149,982	–	–	175,228	76,338,950
Loans to customers	1.5–5.00	–	12,541,772	114,188,606	5.00	–	16,926,089	–
Allowance for expected credit losses	–	–	(33,170)	(2,586,800)	–	–	(48,303)	–
Receivables from the Government of the Republic of Kazakhstan	–	–	–	37,615,232	–	–	–	–
Current corporate income tax	–	–	–	–	–	–	–	2,136,597
Investments in subsidiaries	–	–	167,470,014	–	–	–	167,470,014	–
Coupon prepayments on debt securities issued	–	15,897,984	–	–	–	–	–	–
Other assets	–	–	–	15,978	–	–	–	6,659
Liabilities								
Amounts due to the Shareholder	0.28–5.00	71,196,018	–	–	0.28–10.00	81,093,012	–	–
Amounts due to the Government of the Republic of Kazakhstan	0.01	–	–	62,631,531	0.01	–	–	77,340,798
Amounts due to the state and budget organisations	0.01–1.00	–	–	169,595,336	0.01–1.00	–	–	188,524,346
Debt securities issued	7.10–15.50	552,056,002	–	71,999,615	7.10–15.00	88,709,527	–	71,996,377
Current corporate income tax liabilities	–	–	–	2,364,381	–	–	–	–
Deferred corporate income tax liabilities	–	–	–	5,906,315	–	–	–	12,030,660
Government grants	–	–	–	44,045,383	–	–	–	22,734,825
Other liabilities	–	–	–	961,494	–	–	–	3,698,535

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

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	2024			2023		
	Shareholder	Entities under common control of the Shareholder	Government-related organisations	Shareholder	Entities under common control of the Shareholder	Government-related organisations
Interest income on cash and cash equivalents	–	–	31,705,656	–	139,794	14,462,417
Interest income on investment securities	–	–	–	–	54,816	–
Interest income on loans to customers	–	2,070,845	660,336	–	2,634,913	–
Interest expense on loans received	(7,152,630)	–	(42,083,840)	(7,711,933)	–	(44,776,274)
Interest expense on debt securities issued	(33,215,983)	–	(7,525,143)	(10,154,647)	–	(7,522,866)
Dividend income	–	13,249,722	–	–	10,309,687	–
Credit loss expenses	–	15,143	(2,586,800)	–	(6,570)	–
Other administrative expenses	–	(117,428)	–	–	(2,488)	–
Other income	–	–	69,256,640	–	–	46,500,517
Corporate income tax expense	–	–	(11,209,651)	–	–	(11,486,065)

Key management remuneration

Key management remuneration comprises the following:

	2024	2023
Wages and salaries and other short-term benefits	256,716	180,542
Remuneration of the members of the Board of Directors	18,745	18,721
The Board of Directors administrative expenses	191	–
Social security costs	29,082	18,972
Total key management remuneration	304,734	218,235

28. Capital adequacy

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

As at 31 December 2024 and 31 December 2023, the Company was in full compliance with the externally imposed capital requirements.

The Company's capital management policy is to ensure the compliance by the Company with externally imposed capital requirements and maintain a credit rating and capital adequacy ratios, which ensure the sustainable operation of the Company and maximize shareholder value.

The company manages and reviews the structure of the Company's capital given the changes in economic conditions and characteristics of risks of the types of its activities.

The NBRK requires that the organisations engaged in certain types of banking activity to maintain a Tier 1 capital adequacy ratio (k1) of at least 6% of the assets; capital adequacy ratio (k1–2) in the amount of at least 6% of assets and risk-weighted contingent liabilities and commitments, and a total capital adequacy ratio (k1– 3) of at least 12% of the assets and contingent liabilities and commitments weighted based on risk and operational risk.

EXPLANATORY NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**for the year ended 31 December 2024**

000 KZT

As at 31 December 2024 and 31 December 2023, the Company's capital adequacy ratios calculated in accordance with the requirements of the NBRK were as follows:

	31 December 2024	31 December 2023
Tier 1 capital	410,503,450	410,249,916
Tier 2 capital	53,261,372	20,936,654
Total equity	463,764,822	431,186,570
Risk-weighted assets	1,040,968,369	846,531,479
Commitments and contingencies	125,061,789	78,014,122
Operational risk	71,051,802	40,368,934
Capital adequacy ratio (k1)	26.90%	38.24%
Capital adequacy ratio (k1– 2)	35.21%	44.37%
Capital adequacy ratio (k1–3)	23.95%	27.33%

29. Subsequent events

During January–April 2025, the Company received loans from the Ministry of Finance of the Republic of Kazakhstan in the amount of KZT 90,000,000 thousand, at 0.01% nominal interest rate and with maturity in December 2025 and November 2026, intended for financing spring field and harvesting works (unaudited).

During March–April 2025, the Company raised bond-secured loans from the Sole Shareholder, including:

- on 5 March 2025, a loan of CHY 430,000 thousand, at the nominal interest rate of 3.39% and with a 5-year maturity, for the purpose of financing agro-industrial complex projects (unaudited);
- on 7 April 2025, a loan of KZT 100,000,000 thousand, at the nominal interest rate of 17.50% and with a 15-months maturity, for the purpose of financing the spring field works. A coupon rate on these bonds is also to be subsidised by the Government of the Republic of Kazakhstan under the general spring field and harvesting works financing programme (unaudited);
- on 10 April 2025, a loan of KZT 44,300,000 thousand, at the nominal interest rate of 17.20% and with a 12-months maturity, for the purpose of financing processing enterprises in the food industry. It is expected that the Company will receive subsidies from the Ministry of Agriculture of the Republic of Kazakhstan as part of the direct subsidized loan programme, in accordance with the rules for subsidizing interest rates on loans issued to entities, members of the agro-industrial complex No. 436, and taking account of which the financing from the funds of the bond-secured loan will be provided on concessional terms.

From the beginning of the year to 1 March 2025, the Company received the scheduled repayment of the principal amount outstanding, for the loans provided by Halyk Bank JSC, Bank CenterCredit JSC, and Freedom Bank Kazakhstan JSC, for a total of KZT 43,244,154 thousand (Note 6) (unaudited).